

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: October 7, 2008

Consent Regular
 Workshop Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF



Motion and Title: Staff recommends motion to approve: Second Amendment to Airport Ground Lease Agreement with DTG Operations, Inc., d/b/a Dollar Rent A Car (Dollar), requiring Dollar to complete certain repairs to its on-airport rental car facility and providing for a \$52,000 payment in lieu of completing other repairs.

Summary: The Airport Ground Lease Agreement with Dollar (R-88-315) for its on-airport rental car facility at the Palm Beach International Airport expires on October 23, 2008. The amendment requires Dollar to repair structural damage to the existing car wash building and to remove the fueling system located on the property, which includes one underground fuel storage tank. Dollar will pay the County \$52,000 in lieu of completing less significant repairs to the facility, which are primarily cosmetic in nature. The Amendment does not restrict use of the funds to completing the remaining repairs. The Department anticipates requiring the successor operator to complete the remaining repairs at no cost to the County and retaining the \$52,000 payment as revenue. The amendment provides Dollar with an option to extend the lease on a month-to-month basis in order to ensure sufficient time is available to complete the repairs. Countywide (JB)

Background and Justification: The Department conducted an inspection of the Dollar on-airport rental car facility prior to the expiration of the lease to determine the repairs that would need to be completed prior to turnover to the County. In addition to repairing the car wash facility and removing the fuel system at its sole cost, Dollar has offered a one-time payment of \$52,000 in lieu of completing the remainder of the repairs requested by the Department. The fuel system at the Dollar site will not meet the Florida Department of Environmental Protection's December 2009 upgrade requirements; therefore, the system will need to be removed.

Attachments:

- 1. Second Amendment to Airport Ground Lease Agreement (3)

Recommended By:		9/11/08
	Department Director	Date
Approved By:		9/11/08
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	<u>(\$52,000)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$52,000)</u>	_____	_____	_____	_____
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes _____ No X
 Budget Account No: Fund 4100 Department 120 Unit 8340 R-Source 6999
 Reporting Category _____

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

The amendment provides for a \$52,000 payment to the County in lieu of completing certain repairs to the rental car facility. Use of the funds is not restricted and may be retained as revenue.

C. Departmental Fiscal Review: *Michael Simon*

III. REVIEW COMMENTS

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

9/16/08
Atwillhite 9-17-08
 OFMB *9/17/08* *CV* 9/16/08

J. J. Javel 9/17/08
 Contract Dev. and Control
 9/17/08 This amendment complies with our review requirements.

B. Legal Sufficiency:

James Brubaker 9/23/08
 Assistant County Attorney

C. Other Department Review:

 Department Director

**SECOND AMENDMENT TO AIRPORT GROUND LEASE AGREEMENT
BETWEEN PALM BEACH COUNTY AND
DTG OPERATIONS, INC. d/b/a DOLLAR RENT A CAR**

This Second Amendment to Airport Ground Lease Agreement (this "Second Amendment") is made and entered into _____, 20____ by and between Palm Beach County, a political subdivision of the State of Florida (the "COUNTY"), and DTG Operations, Inc. d/b/a Dollar Rent A Car, whose address is 5330 East 31st Street, Tulsa, OK 74135 ("LESSEE") (hereinafter collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, COUNTY, by and through its Department of Airports (the "Department"), owns and operates the Palm Beach International Airport (the "Airport") located in Palm Beach County, Florida; and

WHEREAS, COUNTY and Sundance Carriage Corp., d/b/a Dollar Rent A Car of Florida ("Sundance") entered into that certain Airport Ground Lease Agreement dated March 1, 1988 (R-88-315), as amended by that certain First Amendment to Airport Ground Lease Agreement between COUNTY and Sundance dated July 31, 1990 (R-90-1162-D), (collectively referred to as the "Lease") providing for the lease of ground area to Sundance for the purpose of constructing auto storage and service facilities in connection with Sundance's operation as an airport rental car concessionaire at the Airport; and

WHEREAS, by that certain Assignment between Sundance and Dollar Systems, Inc., dated September 18, 1990 and approved by COUNTY on October 23, 1990 (R-90-1813D) (the "Assignment"), Sundance assigned to Dollar Systems, Inc., its successors and assigns, and Dollar Systems, Inc., assumed from Sundance, all of Sundance's rights, interests, privileges and obligations in, to and under the Lease; and

WHEREAS, on December 31, 1995, Dollar Systems, Inc., merged with Dollar Operations, Inc., and the surviving corporation amended its corporate name to Dollar Rent A Car Systems, Inc.; and

WHEREAS, Dollar Rent A Car Systems, Inc., amended its corporate name to DTG Operations, Inc., on December 2, 2002; and

WHEREAS, the Parties have entered into that certain Airport Rental Car Lease and Concession Agreement dated September 9, 2003 (R2003-1341), as amended, (the "Rental Car Concession Agreement"), which provides LESSEE with the non-exclusive right to operate a rental car concession at the Airport; and

WHEREAS, COUNTY and LESSEE desire to amend the Lease in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and for such other good and valuable consideration, the receipt of which the Parties hereby expressly acknowledge, the Parties hereto covenant and agree to the following terms and conditions:

1. The recitals set forth above are true and correct and incorporated herein by this reference. Terms not defined herein shall have the meaning ascribed to them in the Lease.

2. Article 1.01 of the Lease is hereby deleted in its entirety and replaced with the following:

1.01. *Term.* This Lease shall commence and be effective on March 1, 1988 and shall expire on October 23, 2008, unless terminated earlier or extended as provided for herein. The term of this Lease may be extended on a month-to-

month basis, upon written request by the LESSEE and approval by the Department. LESSEE shall submit any request for extension to Department no less than fifteen (15) days prior to the scheduled expiration of the Lease. Either party may cancel any such extended term upon fifteen (15) days written notice of termination to the other party.

3. No later than October 23, 2008, LESSEE shall pay COUNTY the sum of Fifty-Two Thousand Dollars (\$52,000). County agrees to accept such payment by LESSEE in lieu of LESSEE completing repairs and maintenance items as required pursuant to the terms of the Lease.

4. The Lease is hereby amended to add the following Article 6.07:

6.07. Removal of Fuel System. LESSEE shall, at its sole cost and expense, remove and dispose of the Fuel System on the leased premises and restore all affected areas in accordance with all required environmental regulations, permits and standards, including Article IV of the Lease. LESSEE shall complete such removal, including all applicable excavation and restoration, on or before the expiration or earlier termination of this Lease, and LESSEE shall provide a detailed closure report signed and sealed by a professional geologist or other environmental assessment prepared by an independent environmental consultant acceptable to County, and certified to Palm Beach County Board of County Commissioners, detailing the total scope of work completed and any associated environmental findings. If LESSEE fails to remove the Fuel System in accordance with the requirements of this Article 6.07, COUNTY may remove same at LESSEE'S sole cost and expense. For purposes of this Article VI, the "Fuel System" shall include all fuel and oil storage tanks and components thereto, all fuel and oil lines and associated distribution systems, pumps, nozzles and outlets, all fuel monitoring and alarm systems, whether underground or above-ground. LESSEE shall continue any existing monitoring, compliance, sampling and assessment activities as required by the Florida Department of Environmental Protection (FDEP) or Palm Beach County Department of Environmental Resources Management (ERM) (collectively referred to as "Monitoring"), and shall complete all post-closure Monitoring required by FDEP or ERM. In connection with such Monitoring, LESSEE shall be permitted access to the leased premises following termination of the Lease, through coordination with the Department and without payment of rent by LESSEE, until FDEP and ERM issue a Site Rehabilitation Completion Order and No Further Action designation, or other documentation acceptable to the Department confirming that all Monitoring has been completed. The provisions of this Section 6.07 shall survive the expiration or earlier termination of this Lease.

5. The Lease is hereby amended to add the following Article 6.08:

6.08. Car Wash Building. LESSEE shall, at its sole cost and expense, perform all needed maintenance and repairs to the car wash building on the leased premises, including but not limited to the removal of all corroded, deteriorated or damaged building materials and replacement with similar or better materials, in accordance with all required regulations, permits and standards, including Article IV of the Lease. LESSEE shall complete such maintenance and repairs on or before the expiration or earlier termination of this Lease. If LESSEE fails to complete said maintenance and repairs, COUNTY may complete same at LESSEE'S sole cost and expense.

6. The Lease is hereby amended to add the following Article 7.04:

7.04 Pollution Legal Liability. During the term of this Lease, LESSEE shall maintain Pollution Liability, or similar Environmental Impairment Liability, at a minimum limit not less than \$1,000,000 per occurrence/\$2,000,000 annual aggregate providing coverage for damages including, but not limited to, third-party liability, clean up, corrective action including assessment, remediation and defense costs. LESSEE shall endorse COUNTY as an "Additional Insured" on

LESSEE's Pollution Liability Insurance. The "Additional Insured" endorsements shall provide coverage on a primary basis. The "Additional Insured" endorsement shall read: "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406". A signed Certificate of Insurance, evidencing that required insurance coverage has been procured or maintained by as required hereunder, shall be delivered to COUNTY.

7. Article XXIX of the Lease is hereby deleted in its entirety.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

8. Except as specifically amended herein, all of the terms and conditions of the Lease shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the Parties hereto.

9. This Second Amendment shall become effective upon execution by the Parties hereto.

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Second Amendment as of the date first written above.

ATTEST:
SHARON R. BOCK,
CLERK AND COMPTROLLER

PALM BEACH COUNTY, A POLITICAL
SUBDIVISION OF THE STATE OF
FLORIDA, BY ITS BOARD OF COUNTY
COMMISSIONERS

By: _____
Deputy Clerk

By: _____
Addie L. Greene, Chairperson

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
County Attorney

By: *Dean W. Strickland*
Director, Department of Airports

Signed, sealed and delivered in
the presence of two witnesses

LESSEE:

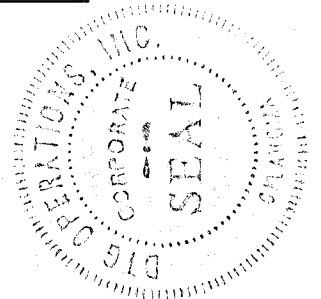
DTG Operations, Inc.
d/b/a Dollar Rent A Car

V. J. Vaniman
Signature **Vicki J. Vaniman**
Secretary

By: *Dean W. Strickland*
Signature **Dean W. Strickland**
V.P., Properties & Concessions

Print Name _____
Joy Jones
Signature
Joy Jones
Print Name

Print Name _____
Title _____
(Seal)



DOLLAR

CERTIFICATE OF INSURANCE

Date:
(MM/DD/YY)
8/25/2008

PRODUCER
Lockton Companies, LLC
5847 San Felipe, Suite 320
Houston, TX 77057
866-260-3538 (Phone)
866-492-1055 (Fax)
This certificate voids and supersedes any previously issued certificate.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED:
DTG Operations, Inc.
5330 East 31st
Tulsa, OK 74135

Insurer A:	Illinois Union Insurance Company
Insurer B:	
Insurer C:	
Insurer D:	
Insurer E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY BE EXHAUSTED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS
	GENERAL LIABILITY				EACH OCCURRENCE
	COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (ANY ONE FIRE)
	OCCURRENCE				PERSONAL & ADV INJURY
	XCU INCLUDED				GENERAL AGGREGATE
	ISO FORM CG 00 01 10 01				PRODUCTS/COMP. OP. AGG
	EXCESS GENERAL LIABILITY				
	AUTOMOBILE LIABILITY				
	ALL OWNED AUTOS				
	HIRED AUTOS				
	NON-OWNED AUTOS				
	WORKERS' COMPENSATION AND EMPLOYERS LIABILITY				
	GARAGE LIABILITY				
	OTHER THAN AUTO ONLY				
A	STORAGE TANK LIABILITY	USTG23565717-004	5/1/2008	5/1/2009	Per Storage Tank Incident Limit \$ 1,000,000
					Aggregate All Storage Tank Incidents Limit \$ 5,000,000

REMARKS: DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT PROVISIONS:

Additional Insured in favor of Palm Beach County Board of County Commissioners c/o Palm Beach County Department of Airports where required by written contract.

CERTIFICATE HOLDER:

Palm Beach County Board of County Commissioners
c/o Palm Beach County Department of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. *EXCEPT 10 DAYS NOTICE FOR NON-PAYMENT.

AUTHORIZED REPRESENTATIVE:

J. Kelly

**STORAGE TANK CERTIFICATE OF INSURANCE TO
DEMONSTRATE FINANCIAL RESPONSIBILITY
STATE OF FLORIDA**

Facility Name and Address:

1. DTG located at 3100 S. Federal Highway in Ft. Lauderdale, FL 33316
2. DTG located at 17114 US 19 North in Clearwater, FL 33764
3. Thrifty located at 1600 NE 7th Avenue in Dania, FL 33004
4. DTG located at 275 Coral Sea Drive in Daytona, FL 32124
5. DTG located at 600 Terminal Drive in Ft. Lauderdale, FL 33315
6. DTG located at 16050 Chamberlin Parkway in Ft. Myers, FL 33913
7. Thrifty located at 2400 Miami Road in Hollywood, FL 33316
8. DTG located at 2024 Rental Car Lane in Jacksonville, FL 32218
9. DTG located at 3495 Roosevelt Boulevard in Key West, FL 33040
10. DUAL located at 3670 S. River Drive in Miami, FL 33142
11. Thrifty located at 2875 NW Lejeune Road in Miami, FL 33142
12. DTG located at 1300 Airport Road in Naples, FL 34104
13. DTG located at 2510 Jet Port Drive in Orlando, FL 32809
14. Thrifty located at 5600 Butler National Drive in Orlando, FL 32812
15. DTG located at 9201 Airport Road in Orlando, FL 32827
16. DTG located at 6208 N. 9th Avenue in Pensacola, FL 32504
17. DTG located at 2100 Red Cleveland Boulevard in Sanford, FL 32773
18. DTG located at 1150 Rental Car Road in Sarasota, FL 34243
19. DTG located at 4720 Spruce Street in Tampa, FL 33607
20. Thrifty – Tampa Airport located at 5107 W. Spruce Street in Tampa, FL 33607
21. Thrifty – Tampa – On Airport (QTA) located at 5107 W. Spruce Street in Tampa, FL 33607
22. DTG – Tampa – On Airport (QTA) located at 5107 W. Spruce Street in Tampa, FL 33607
23. DTG located at 2401 Turnage Boulevard in West Palm Beach, FL 33406
24. DTG located at 2600 Turnage Boulevard in West Palm Beach, FL 33406

Insurer Name and Address:

Illinois Union Insurance Company c/o ACE Environmental Risk, P.O. Box 1000, 436 Walnut Street WA07A, Philadelphia, PA 19106

Policy Number:

UST G23565717 004

Policy Period:

From 12:01am May 1, 2008 to 12:01am May 1, 2009

Insured Name and Address:

Dollar Thrifty Automotive Group, Inc. et al located at 5330 E. 31st Street in Tulsa, OK 74135

- I. Illinois Union Insurance Company, the Insurer, as identified above, hereby certifies that it has issued liability insurance covering the following Storage Tanks:

<u>Facility No. (from above)</u>	<u>Identification No.</u>	<u>Number of Tanks (UST/AST)</u>
1. 3100 S. Federal Highway	06-8733221	2/2
2. 17114 US 19 North	52-9203060	0/1
3. 1600 NE 7 th Avenue	9804770	0/1
4. 275 Coral Sea Drive	64-9300115	0/1
5. 600 Terminal Drive	9806250	6/0
6. 16050 Chamberlin Parkway	36-8627611	1/1
7. 2400 Miami Road	9804578	1/0
8. 2024 Rental Car Lane	16-9600053	0/1
9. 3495 Roosevelt Boulevard	44-8841250	1/0
10. 3670 S. River Drive	9804057	0/2
11. 2875 NW Lejeune Road	9100481	2/0
12. 1300 Airport Road	11-9800552	0/1
13. 2510 Jet Port Drive	48-8943766	5/0
14. 5600 Butler National Drive	9803249	1/0
15. 9201 Airport Road	48-9045952	2/0
16. 6208 N. 9 th Avenue	9804507	0/1
17. 2100 Red Cleveland Boulevard	59-9600773	1/0
18. 1150 Rental Car Road	41-9401965	0/1
19. 4720 Spruce Street	29-8624882	1/0
20. 5107 W. Spruce Street	29-8625617	0/3
21. 5107 W. Spruce Street	9401859	1/0
22. 5107 W. Spruce Street	9201931	1/0
23. 2401 Turnage Boulevard	50-8943378	1/0
24. 2600 Turnage Boulevard	50-8944439	5/0

DOLLAR
THIRTY

for taking corrective action and/or compensating third parties for bodily injury and property damage caused by either sudden accidental releases or non-sudden accidental releases or accidental releases in accordance with and subject to the limits of liability, exclusions, conditions, and other terms of the Policy arising from operating the storage tanks identified above.

The Limits of Liability are:

- a. \$1,000,000 Each Occurrence
- b. \$5,000,000 Annual Aggregate

exclusive of legal defense costs, which are subject to a separate limit under the policy. This coverage is provided under UST G23565717 004. The effective date of said policy is May 1, 2008.

- II. The Insurer further certifies the following with respect to the insurance described in Paragraph I:
- A. Bankruptcy or insolvency of the "insured" shall not relieve the Insurer of its obligations under the Policy to which this certificate applies.
 - B. The Insurer is liable for the payment of amounts within any deductible applicable to the Policy to the provider of corrective action or a damaged third-party, with a right of reimbursement by the "insured" for any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated under another mechanism or combination of mechanisms as specified in 40 CFR 280.95-280.102.
 - C. Whenever requested by a Director of an implementing agency, the Insurer agrees to furnish to (the Director) a signed duplicate original of the Policy and all endorsements.

- D. Cancellation or any other termination of the insurance by the Insurer, except for non-payment of premium or misrepresentation by the "insured", will be effective only upon written notice and only after the expiration of 60 days after a copy of such written notice is received by the "insured". Cancellation for non-payment of premium or misrepresentation by the "insured" will be effective only upon written notice and only after expiration of a minimum of 10 days after a copy of such written notice is received by the "insured".
- E. The insurance covers "claims" otherwise covered by the Policy that are reported to the Insurer within six months of the effective date of cancellation or non-renewal of the Policy except where the new or renewed Policy has the same Retroactive Date or a Retroactive Date earlier than that of the prior policy, and which arise out of any covered occurrence that commenced after the Policy Retroactive Date, if applicable, and prior to such renewal or termination date. "Claims" reported during such "extended reporting period" are subject to the terms, conditions, limits, including limits of liability, and exclusions of the Policy.

I hereby certify that the wording of this instrument is identical to the wording in 40 CFR 280.97 (b) (2) and that the Insurer is eligible to provide insurance as an excess or surplus lines insurer in one or more states.

William P. Hazelton

Authorized Agent

William P. Hazelton

Name

Sr. Vice President - ACE Environmental Risk

Title

436 Walnut Street, Philadelphia, PA 19106

Address