

ATTACHMENT A

ORDINANCE S-49837

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO AMEND AND RESTATE A HANGAR LEASE, EXECUTE A GROUND LEASE, AND EXECUTE AN AIRCRAFT STORAGE AGREEMENT WITH AERSALE, INC. AT PHOENIX GOODYEAR AIRPORT; TO AUTHORIZE RENT CREDITS; AND FURTHER AUTHORIZING THE CITY TREASURER TO ACCEPT ALL RELATED FUNDS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX as follows:

SECTION 1. The City Manager, or his designee, is authorized to amend and restate Hangar Lease No. 75812 (Lease), execute a ground lease, execute an aircraft storage agreement, and authorize rent credits with AerSale, Inc. at Phoenix Goodyear Airport.

SECTION 2. The amended and restated Lease, ground lease, and aircraft storage agreement will include the following terms and conditions:

A. The term of the amended and restated Lease and new ground lease will be forty (40) years. The term of the aircraft storage agreement will be ten (10) years with one, five-year option to extend.

B. The rent paid by AerSale, Inc. under the amended and restated Lease, the ground lease, and the aircraft storage agreement will increase annual revenue to the City to approximately one million four hundred sixty-eight thousand dollars (\$1,468,000) through the inclusions of lease rates that reflect current market conditions. All rents will be subject to annual consumer price index adjustments per the

Phoenix-Mesa-Scottsdale index, or three percent, whichever is greater. Total revenue estimated over the combined lease terms will be approximately fifty-four million two hundred thousand dollars (\$54,200,000).

C. Rent credits will be applied for the relocation of utilities that conflict with the new hangar development site in an amount up to one million five hundred thousand dollars (\$1,500,000), and for the replacement of an obsolete fire suppression system that serves both existing hangars in an amount up to two million dollars (\$2,000,000).

SECTION 3. The City Treasurer is authorized to accept all related funds for the purposes of this Ordinance.

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