

## MEMORANDUM

**TO:**           **Real Estate & Transportation Committee**  
Commissioner Mike Musick, Chairman  
Commissioner Bill Read  
Commissioner Chad McLeod

**FROM:**       City Attorney's Office

**DATE:**       June 5, 2023

**RE:**           **First Modification of Lease Agreement with Two Monies, LLC**

Attached hereto for your consideration is a proposed First Modification to the Ground Lease Agreement (First Modification) with Two Monies, LLC, which has been operating out of its private hangar at the Airport since May of 2018. The original Ground Lease Agreement, approved by the City Commission in April 1993, was between the City and Anheuser-Busch Companies, Inc. The right, title and interest in that Ground Lease Agreement was subsequently assigned in 2009 to Lakeland Wings, LLC and then finally to Two Monies, LLC in 2018. Accordingly, Two Monies, LLC currently leases approximately 0.76 acres off of Taxilane H at 3907 Aero Place located in the northcentral quadrant of the Airport.

Two Monies, LLC is now seeking to modify the renewal terms of its Ground Lease Agreement in order to reduce the ten (10) year Member Appraisal Institute (M.A.I.) base rent adjustment cap from 12% to 8%, which is consistent with other current ground lease agreements at the Airport. Specifically, the annual rent paid for any renewal period shall be subject to 8% of the appraised value of the leased land on the commencement of such renewal term as determined by an M.A.I. appraiser retained by the City and paid for by Two Monies, LLC.

This First Modification will be applied to Two Monies, LLC's first renewal option and shall have a retroactive date of May 1, 2023, subject to approval by the City Commission. This renewal is the first of the three (3) additional ten (10) year terms contained in the existing Lease Agreement. Base rent for the first renewal term will be \$13,242.24 per month. The monthly rent does not include utilities or any applicable taxes, which Two Monies, LLC will be required to pay in addition to its base rent. Except as otherwise set forth in this First Modification, all other terms and conditions of the existing Ground Lease Agreement shall remain in full force and effect.

It is recommended that the City Commission approve this First Modification to the Lease with Two Monies, LLC and authorize the appropriate City officials to finalize and execute all corresponding documents consistent with the above-specified terms.

# LOCATION MAP



## **FIRST MODIFICATION OF LEASE AGREEMENT**

This **FIRST MODIFICATION OF LEASE AGREEMENT** is made and entered into this 5th day of June 2023, by and between the **CITY OF LAKELAND, FLORIDA**, a Florida municipal corporation (hereinafter referred to as "Lessor"), whose address is 228 S. Massachusetts Avenue, Lakeland, Florida 33801 and **TWO MONIES, LLC** (hereinafter referred to as "Lessee") whose address is 3311 Butternut Court, Brandon, Florida 33511.

### **W I T N E S S E T H:**

**WHEREAS**, Lessor entered into that certain Long Term Ground Lease dated April 5, 1993 (the "Lease" or "Lease Agreement") with Anheuser-Busch Companies, Inc., ("ABI") a Delaware corporation, for certain property located in Polk County, Florida, comprising a part of the Lakeland Linder International Airport, and more particularly described in **Exhibit "A"** attached hereto and incorporated herein by reference (the "Premises"); and

**WHEREAS**, pursuant to a certain Assignment, Assumption and Consent dated March 26, 2009, by and between Lessor and ABI, all right, title and interest of ABI under the Lease was assigned to Lakeland Wings, LLC, a Missouri limited liability company ("Lakeland Wings"); and

**WHEREAS**, pursuant to a certain Assignment, Assumption and Consent dated May 21, 2018, by and between Lessor and Lakeland Wings, all right, title and interest of Lakeland Wings under the Lease was assigned to Two Monies, LLC, a Florida limited liability company, as the Lessee identified in this First Modification of Lease Agreement, and all duties and obligations thereunder were assumed by said Lessee; and

**WHEREAS**, this First Modification of the Lease Agreement (“First Modification”) seeks to decrease the current renewal increase of the appraised property value determined by an M.A.I. appraiser.

**NOW THEREFORE**, for good and valuable consideration, the receipt of which is hereby acknowledged the parties hereto do mutually agree that the Lease Agreement shall be modified as follows:

1. SECTION 3. (3) of the Lease Agreement shall be replaced in its entirety and modified as follows:

If at any time during the initial term, or any renewal term, the United States Department of Labor, Bureau of Labor Statistics, or its successor or equivalent, shall discontinue issuance of the CPI-U, the parties agree to use other nationally-recognized standard cost-of-living index issued and published by the United States Government. If no such index is published and available, the rents to be paid shall be adjusted in accordance with a reappraisal of the Premises at the beginning of each five-year period the Lease is in effect, and such annual rent shall be equal to eight percent (8%) of the appraised value of the leased land, exclusive of any improvements, as determined by an M.A.I. appraiser retained by the Lessor at the expense of the Lessee.

2. SECTION 4. (1) of the Lease Agreement shall be replaced in its entirety and modified as follows:

The Lessee, so long as it is not in default, shall have the right and option to renew this Lease for three (3) additional terms of ten (10) years each, by notifying the Lessor of its intention to do so, in writing, at least sixty (60) days prior to the expiration of the initial term or any renewal term, upon the same terms and conditions as herein set forth,

except that the annual rent to be paid for any renewal term shall be eight percent (8%) of the appraised value of the leased land, exclusive of any improvements, on the date of commencement of such renewal term, as determined by an M.A.I. appraiser retained by the Lessor at the expense of the Lessee.

3. Except as otherwise modified herein all terms and conditions of the Lease Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have caused this First Modification to the Lease Agreement to be executed and their respective seals to be hereunto affixed the day and year first above written.

CITY OF LAKELAND, FLORIDA  
a municipal corporation

ATTEST:

By: \_\_\_\_\_  
Kelly S. Koos, City Clerk

By: \_\_\_\_\_  
H. William Mutz, Mayor

(Seal)

Approved as to Form and Correctness:

By: \_\_\_\_\_  
Palmer C. Davis, City Attorney

TWO MONIES, LLC.

Signed in the presence of:

By: \_\_\_\_\_  
Witness

By: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT A

A PARCEL OF LAND, LYING IN SECTION 5, TOWNSHIP 29 SOUTH, RANGE 23 EAST, POLK COUNTY, FLORIDA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF AFORESAID SECTION 5; THENCE SOUTH  $00^{\circ}51'15''$  EAST, ALONG THE EAST LINE OF SAID SECTION, A DISTANCE OF 1166.96 FEET; THENCE NORTH  $77^{\circ}55'50''$  WEST, A DISTANCE OF 19.81 FEET, THENCE SOUTH  $12^{\circ}04'10''$  WEST A DISTANCE OF 294.00 FEET FOR A POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE SOUTH  $12^{\circ}04'10''$  WEST A DISTANCE OF 86.00 FEET; THENCE NORTH  $77^{\circ}55'50''$  WEST A DISTANCE OF 385.37 FEET; THENCE NORTH  $12^{\circ}04'10''$  EAST A DISTANCE OF 86.00 FEET; THENCE SOUTH  $77^{\circ}55'50''$  EAST A DISTANCE OF 385.37 FEET TO THE POINT OF BEGINNING.