To: Honorable Chair, Board Members and City Council Members

From: Christopher A. Rozansky, Executive Director

Meeting Date: July 6, 2026

Re: **Supplemental Information Provided: City's Proposed Lease Terms Sheet**

SUMMARY: On July 1, 2026, the City of Naples has provided the attached Proposed Lease Terms Sheet. The Naples Airport Authority intends to add this item to the agenda at the meeting scheduled for 1 p.m. on July 6, 2026.

BACKGROUND: Not applicable at this time.

COMMUNICATION PLAN: Not applicable at this time.

FINANCIAL IMPACT: Not applicable at this time.

Lease Terms Sheet
City of Naples and Naples Airport Authority

1. **PARTIES**. Lessor: City of Naples ("City") Lessee: Naples Airport Authority ("Airport").
2. **SUPERSESSION**. Replacement lease will expressly supersede the December 3, 1969, lease and any prior related understandings regarding control and subletting.
3. **PREMISES**. City retains fee simple ownership of airport land. Airport receives leasehold rights sufficient to operate the airport. Lease to include updated legal description and exhibits (including any non-aeronautical parcel delineations as applicable). (Should include exhibit identifying: city-owned airport land, Airport Authority-owned land, FAA grant-funded land, etc.).
4. **TERM** [PLACEHOLDER] commencing [PLACEHOLDER]. Renewal/extension option [PLACEHOLDER]. Add provision for payment as well.
5. **LEASE PAYMENT**. The Airport shall pay _____ monthly/yearly for use of the Airport Property. (To include annual percentage increase similar to CPI in commercial leases). Such payment shall be made no later than the 5th day of every month (or October 30th if yearly payment).
6. **PURPOSE**. Airport to operate, maintain, develop, and improve the airport consistent with applicable laws and regulations. Uses of property (aeronautical and permitted non-aeronautical) to be defined and tied to approved planning documents and City approvals.
7. **GOVERNANCE**. Establish a standing City and Airport coordination process. Include a structured dispute escalation process; include intergovernmental conflict resolution concepts where appropriate.
8. **FAA PREEMPTION**. The Airport may not, on its own, determine that City Approvals are preempted. Any claimed preemption must be supported by FAA written determination, court order, or mutually accepted legal opinion.
9. **LAND USE AUTHORITY**. Nothing herein shall be construed as a waiver, delegation, limitation, or surrender of the City's governmental, regulatory, police-power, land-use zoning, comprehensive planning, building, fire, stormwater, environmental, life-safety, code enforcement, or permitting authority.
10. **DEVELOPMENT FRAMEWORK**. Airport to prepare and submit an Airport Utilization Plan to City Council for approval; updated periodically (at least every three (3) years) and to include current development and identified future development. Plan must be consistent with the replacement lease and any approved sublease and preserve safety, utility, and efficiency of the airport. The Airport shall submit mandatory interim amendments to the Utilization Plan before any material new project, new non-aeronautical use, commercial passenger expansion, major sublease, or significant change in airport intensity.
11. **CITY APPROVAL MATRIX**. Replacement lease will contain an objective approval matrix establishing which actions require: (a) Airport-only action; (b) notice/consultation; or (c) City Council approval. City approval required, at minimum, for: (i) new vertical construction or material redevelopment on City-owned land;(ii) material expansions of

DRAFT

footprint/intensity/use category; (iii) long-term ground subleases or other long-term encumbrances; (iv) non-aeronautical development not clearly within an approved Utilization Plan; and (v) transactions that may affect City fee title or create long-term third-party rights.

12. **SUBLEASES, CONCESSION, AND TENANT IMPROVEMENTS**. Airport may enter subleases consistent with the approved Utilization Plan and the lease. Subleases and tenant development agreements must include required flow-down provisions (insurance, indemnity, compliance, reporting, assignment limits, and City access/inspection). Major subleases and/or tenant construction to require City approval per the approval matrix.
13. **ASSIGNMENT**. Any assignment, transfer, or other disposition of the Airport's interest in the replacement lease requires City's prior written consent (standard and criteria to be negotiated).
14. **CAPITAL IMPROVEMENTS**. Airport to maintain a rolling Capital Improvement Plan (CIP) coordinated with the Utilization Plan; define project categories and thresholds for City approval; define funding approach and cost responsibility allocation for shared infrastructure.
15. **FINANCIAL TERMS**. If financial terms change from nominal rent, document a clear value exchange and permissible use structure. Service reimbursements (police/fire/security/other municipal services) to be defined and coordinated with applicable interlocal/service agreements.
16. **REPORTING/RECORDS/AUDIT**. Airport to provide periodic reporting to City (financials, tenant/sublease roster, CIP/Utilization Plan status, insurance certificates). City audit rights for defined categories, subject to reasonable procedures and confidentiality where applicable.
17. **COMPLIANCE**. Airport and subtenants must comply with applicable laws, ordinances, rules, and regulations. Define processes and timelines to coordinate City land use/building review with airport operational needs.
18. **INSURANCE/INDEMNITY**. Modernized insurance and indemnity regime. Airport indemnifies City for claims arising from Airport-controlled operations/tenancies; City indemnifies Airport for City-controlled retained risks. Insurance limits and additional insurance requirements to be specified and flowed down to subtenants.
19. **ENVIRONMENTAL**. Baseline environmental allocation, reporting duties, and remediation coordination; subtenant hazardous materials controls.
20. **DEFAULT/REMEDIES**. Establish modern default, notice, and cure provisions; specify remedies; provide continuity-of-operations protections during disputes and cure periods, subject to immediate safety exceptions.
21. **SURRENDER**. At expiration/termination: deliver copies of subleases and key contracts; turnover records; condition standards for surrender; clarify ownership/reversion of improvements and treatment of subtenant improvements.

DRAFT

22. **CONDITIONS/APPROVALS**. City Council and Airport board approvals at duly noticed meetings as required; final form subject to legal review and negotiation of exhibits (Premises, Utilization Plan process, approval matrix, standard sublease provisions, insurance schedule).
23. **DEMISED PREMISES**. Upon the expiration or sooner termination of the Term the Airport covenants and agrees that it shall surrender and deliver to the city the Demised Premises together with all Improvements thereon as well as all Equipment. The intent being that when the Demised Premises are returned to the City, (i) all Equipment shall become the property of the City and (ii) the Demised Premises shall be in good condition and maintained to the standards provided herein all of which shall be free and clear of any and all occupancies liens debts or encumbrances of whatsoever kind nature and description except with respect to such leased Equipment unless to the extent otherwise agreed by the City in writing. This provision shall survive the expiration or sooner termination of this Agreement.
24. **TITLE TO IMPROVEMENTS.** Title to all Improvements including without limitation all fixtures currently existing or added to the Demised Premises by the Airport or any Subtenants and any Fixtures or Equipment now shall vest in the City on the Execution Date or immediately upon annexation or construction of such Improvements as the case may be except where Subleases or other agreements provide that title thereto shall remain in the Subtenants or other third persons in which event such title shall vest in the City not later than the expiration or sooner termination of this Agreement. The Airport may not apply for, accept, amend, or close out any FAA grants affecting City-owned land without prior City Council approval.
25. **NON-BINDING.** This term sheet is intended as an outline only and is non-binding except for any expressly stated binding provisions to be identified in the final document.
26. **NO LIENS.** The Airport shall keep the Premises and Improvements free of, and shall promptly discharge or transfer to bond, any construction, mechanic's, or other lien arising from the acts of the Airport or its subtenants. No such lien shall attach to the City's fee or reversionary interest, and nothing herein constitutes the City's consent to subject its interest to any lien.
27. **CASUALTY AND CONDEMNATION.** In the event of casualty, the Airport shall apply insurance proceeds to restore the Improvements, subject to applicable federal and lender requirements. In any third-party taking, the City and the Airport shall each be entitled to the portion of the award attributable to their respective interests, fee and reversion to the City and leasehold and Improvements to the Airport, determined under Florida law, and neither party shall take a position in the proceeding that impairs the other's recognized interest.
28. **HB 4005**. The Airport and City shall prepare and approve a joint resolution to the State of Florida requesting amendments to the Airport Authority Act. (Amendments to be discussed by both boards at a future meeting).

DRAFT

29. **SOVEREIGN IMMUNITY; VENUE; GOVERNING LAW; DISPUTE CONDITION PRECEDENT.** Nothing herein waives either party's sovereign immunity or the protections of section 768.28, Florida Statutes, beyond any waiver expressly provided by law. This Lease shall be governed by Florida law, and venue for any judicial proceeding arising under it shall lie exclusively in the state courts in Collier County, Florida.
30. **SEVERABILITY.** If any provision is held invalid or unenforceable, the remainder shall continue in effect and the parties shall substitute a valid provision that most nearly achieves the original intent, consistent with their respective authority and federal obligations.

DRAFT