

MEMORANDUM

TO: John Greifzu, Assistant Director of Administration

FROM: John Lyons, County Engineer

RE: **ACCEPTANCE OF BOEING LEASE AMENDMENT #4**

DATE: **May 25, 2022**

Boeing is in the process of rebuilding their testing facility at the St. Charles County airport. In order to justify the multi-million dollar investment, Boeing requested a 4th amendment to the lease to add an additional eight (8) five-year renewal option periods, potentially extending their lease out to 2063. Also included in this amendment is a monthly rate increase from \$630 to \$687.52 starting at the end of the current lease period in 2023. This rate increase is consistent with previous rate increases.

Bob Hoeynck has reviewed and approved the lease amendment.

If you have any questions, please feel free to contact Dennis Wiss or myself. Thank you.

CC: Kelley Pogulis, County Counselor's Office



REGIONAL AIRPORT -
SMARTT FIELD

MEMORANDUM

TO: John Lyons, County Engineer

FROM: Dennis Wiss, Airport Manager

RE: Boeing Land Lease at the St. Charles County Regional Airport
Amendment No. 4

DATE: May 25, 2022

In May of 1978, the Boeing Company, then McDonnell Douglas Corporation, entered into a land lease with St. Charles County for the lease of 41 (+/-) acres at the St. Charles County Airport. This lease was subsequently amended by Amendments No. 1, 2 and 3. Amendment No.2 reflected the revised Lessee name as The Boeing Company and increased the total leasehold to 43.598 acres. As adopted in May of 2018, Amendment No. 3 provided for an initial Extension term of five years, May 12, 2018 through May 11, 2023, with three five-year Renewal Option Periods.

The Boeing Company is now in the process of a multi-million dollar reconstruction of the buildings at the site in order to upgrade the facilities. As a result of this reconstruction, Boeing is now asking for an Amendment No. 4 to be approved to help justify the costs of the reconstruction. Amendment No. 4 would run concurrently with Amendment No. 3's current Extension Term of May 2018 through May 2013 with the original three five-year Renewal Option Periods plus an additional five five-year Renewal Option Periods. If all the Renewal Option Periods were exercised the Land Lease would run through May of 2063.

Amendment No. 4 does provide for an increase in the per-acre rental rate from \$630 per acre to \$687.52 for the first Renewal Option Period beginning in May of 2023 if exercised for an annual rental rate of \$29,974.50, an annual increase of \$2,507.82. An Exhibit B has also been added to the Land Lease to outline the lease term, extension terms and Renewal Option Periods as well as minor wording and typographical revisions.

Counselor Hoeynck has reviewed Amendment No. 4 and approved it.

McDonnell Douglas/Boeing has been a long-term tenant of the St. Charles County Regional Airport and contributes significantly to the revenue of the Airport. At this time, I would ask that Amendment No. 4 to the Lease Agreement be approved so that we may continue our relationship with Boeing and its staff at the County Airport.