

DEPARTMENT OF TRANSPORTATION
ACTION AGENDA

June 11, 2025

SUPPLEMENTAL



MDOT 41

Contact: Tanya Wojtulewicz 410-859-7930
twojtulewicz@mdot.maryland.gov

19-GM-MOD. MARYLAND AVIATION ADMINISTRATION
RETROACTIVE: Modification: Lease Contract

Contract ID: Lease Contract for Land in the BWI North Fuel Farm and Midfield Cargo Complex (MCC) Fuel Farm at Baltimore/Washington International Thurgood Marshall (BWI Thurgood Marshall) Airport; *MAA-LC-24-013*

Contract Approved: MDOT 2-GM, 09/06/2023

Contract Description: Lease of 110,573 square feet of exclusive land and 36,148 square feet of common area space to Baltimore Fuel Facilities, LLC (BFF), a BWI commercial airline fueling consortium. BFF will develop, operate, and maintain an airline fuel system at BWI Thurgood Marshall Airport.

Modification Description: *RETROACTIVE* Modification No. 1 is a lease amendment that retroactively and proactively adds a total of 64,738 square feet to BFF's lease for the accommodation of two additional fuel storage tanks in the BWI North Fuel Farm, and initiates BFF's payments of the New Tankage Recovery Fee.

Contractor: Baltimore Fuel Facilities LLC; Wilmington, DE

Original Contract Term: 10/01/2023 – 09/30/2043 (20 years)

Modification Terms: 02/01/2025 - 06/30/2025 (**Retroactive**)
07/01/2025 – 09/30/2043 (Proactive)

Original Contract Amount: \$42,754,677.50

146,721 square feet of space (\$1.45 per square feet per annum, with annual inflationary adjustments). Rent assumes annual increase based on the actual Consumer Price Index (CPI) and was estimated at 3% per year for 20 years.

Modification Amounts: \$ 40,240.05 (Retroactive, year 2)
\$ 24,144.03 (Proactive, year 2)
\$ 2,329,130.82 (Proactive, estimate years 3-20)
\$ 2,393,514.90 total aggregate

The additional ground rent for the retroactive modification in year two is at a rate of \$1.4918 per square foot. Rent assumes an annual increase based on the actual CPI for years three through 20 and was estimated at 3% per year.

Prior Mods: None

19-GM-MOD. MARYLAND AVIATION ADMINISTRATION (cont'd)

Revised Total Contract Amount: \$45,141,913.65

Percent +/- Change (This Item): +5.60%

Overall Percent +/- Change: +5.60%

Requesting Agency Remarks: The Maryland Aviation Administration (MAA) seeks approval of a retroactive contract modification to capture new revenue to the State and begin payments of the new tankage recovery fee. State Finance and Procurement Article, §10-305 necessitate BPW approval on all modifications and MAA apologizes for this administrative oversight.

Installation of two new fuel storage tanks at the BWI Thurgood Marshall North Fuel Farm was completed and BFF received beneficial occupancy on February 1, 2025. In accordance with the contract, BFF will begin payments of the New Tankage Recovery Fee. The fee was originally based on a 240-month repayment schedule but was compressed into 224 months to co-term with the lease agreement. BFF will pay a New Tankage Recovery fee in the amount of \$165,348.78 per month. This monthly fee will recover \$25,467,086.00 in MAA construction costs at 4% interest and the total amount paid by BFF for the New Tankage Recovery Fee will be \$37,038,127.59, which was included in the original contract amount.

The new fuel storage tanks also increased BFF's leasehold to include 29,779 square feet of exclusive land and 34,959 square feet of common area space for a total 211,459 square feet of leased space which increased rent by \$64,384.08 for year two. Starting October 1, 2025, BFF will pay ground rent for the 211,459 square feet of space (at \$1.4918 and the actual CPI increase adjustment per square foot). Rent assumes an annual increase based on the actual CPI index and was estimated at 3% inflation per year for total contract value. Additionally, BFF will remit 10.12% fuel flowage fees to MAA for fuel sales to airlines who do not enter into contractual agreements with BFF.

This type of revenue-producing contract at a transportation facility is outside the scope of the State Procurement Law [State Finance and Procurement Article §11-202(3); COMAR 21.01.03.03.B(1)(d)]. However, the contract and any modifications must be approved by the Board of Public Works because the contract constitutes a use of State Property under State Finance and Procurement Article, §10-305.

Resident Business: Yes **MD Tax Clearance:** 25-0406-0000

BOARD OF PUBLIC WORKS
THIS ITEM WAS:
APPROVED
DISAPPROVED
DEFERRED
WITHDRAWN
WITH DISCUSSION
WITHOUT DISCUSSION