



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 17-00388

City Council

7/13/2017

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

PENSACOLA AVIATION CENTER CONSENT TO SUBLEASE TO SPEED AVIATION, INC.

RECOMMENDATION:

That City Council authorize the Mayor to execute written consent allowing Pensacola Aviation Center to sublease portions of their Leased Premises to Speed Aviation, Inc. Further that City Council authorize the Mayor to take all necessary actions to execute the written consent.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Pensacola Aviation Center, LLC (PAC) leases 743,387 square feet of land for offices, hangar, and automobile and aircraft parking in order to provide full service fixed based operations (FBO) at the Pensacola International Airport. PAC has provided FBO services at the Airport since April, 1977, with their current agreement executed in December 1997.

In July, 2016 PAC purchased the Lease Agreement of AEROSE LLC, operating under the name Innisfree Jet Center. The Assignment and Assumption of Lease with Consents was executed August 2, 2016.

On June 12, 2017 PAC notified Staff that it wished to sublease hangar and office space to Speed Aviation, Inc. in order to provide commercial aeronautical services/activities described as Air Ambulance and Air Charter. As provided in Article XXXIV of the Lease Agreement with the City, PAC may not sublease all or any portion of the Leased Premises or all or any portion of the improvements thereon, without first obtaining written consent of the City. This consent of the City may not be unreasonably denied or delayed.

PRIOR ACTION:

August 21, 1997 - City Council approved the 30 year lease with Pensacola Aviation Center, LLC.

July 14, 2016 - City Council approved Assignment and Assumption of Lease Agreement to provide for the assignment of the Aerose Lease and Operating Agreement to Pensacola Aviation Center, LLC.

FUNDING:

N/A

FINANCIAL IMPACT:

Pensacola Aviation Center, LLC will continue monthly rental payments to the Airport for the duration of its original lease.

CITY ATTORNEY REVIEW: Yes

6/28/2017

STAFF CONTACT:

Eric W. Olson, City Administrator
Daniel E. Flynn, Airport Director

ATTACHMENTS:

- 1) Airport - Consent to Sublease
- 2) PAC Speed Sublease

PRESENTATION: No