Legislation Details (With Text)

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On agenda:	10/24/2019	**Final action:**	10/24/2019
Enactment date:		**Enactment #:**	
Title:	PENSACOLA INTERNATIONAL AIRPORT - PENSACOLA AVIATION CENTER LEASE AGREEMENT AMENDMENT NO. 10		
Sponsors:	Grover C. Robinson, IV		
Indexes:			
Code sections:			
Attachments:	1. Pensacola Aviation Center Lease Agreement Amendment No. 10		

Date	Ver.	Action By	Action	Result
10/24/2019	1	City Council	Approved	Pass
10/21/2019	1	Agenda Conference	Placed on Consent Agenda	Pass

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

PENSACOLA INTERNATIONAL AIRPORT - PENSACOLA AVIATION CENTER LEASE AGREEMENT AMENDMENT NO. 10

RECOMMENDATION:

That City Council authorize the Mayor to execute Amendment No. 10 with Pensacola Aviation Center to provide for the expansion of hangar facilities and to provide for the extension of the lease. Further, that City Council authorize the Mayor to take all actions necessary to execute the Amendment.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Pensacola Aviation Center (PAC) is the full-service Fixed Base Operator serving the Pensacola International Airport. As a Fixed Base Operator, PAC is required to provide fueling, aircraft maintenance, pilot and passenger waiting areas, aircraft parking and storage, and a variety of other services to the operators of the privately and corporate owned aircraft using the facility.

To provide aircraft parking and storage, Pensacola Aviation Center currently manages various hangars on the Airport. This includes 43 “T” hangars totaling 62,600 square feet that are used to house individual small single and twin engine aircraft, and four clear span hangars totaling 55,700

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square feet that are used to house a number of medium sized single and twin engine aircraft.

The recently completed Master Plan reviewed all of the facilities on the Pensacola International Airport, and outlined those items needed to meet current and forecast demand. The number of T hangars and clear span hangars was last expanded in 2008. Given the growth in general aviation activity over the last eleven years, the Master Plan identified a current need for an increase in both types of facilities.

In lieu of providing these facilities itself, the City of Pensacola typically works with private entities such as Pensacola Aviation to fund, construct, and operate the various hangars and buildings required to accommodate the needs of the general aviation community. In consideration of the development and to allow a company to amortize the investment, the City grants longer term leases.

To meet the current needs for expanded hangar facilities, Pensacola Aviation proposes to invest $2.9 million dollars into the development of both additional T hangars and an additional 20,000 square foot clear span hangar. Construction would be completed within eighteen months.

To allow for the amortization of the investment, PAC has requested an extension to their lease agreement. The proposed seventeen year extension would take the lease out to September 30, 2049.

PRIOR ACTION:

August 25, 1997: City Council approved the lease with Pensacola Aviation Center, Inc.

March 26, 1997: City Council approved Amendment No. 1 to the lease.

January 14, 1999: City Council approved Amendment No. 2 to the lease.

November 18, 1999: City Council approved Amendment No. 3 to the lease.

January 10, 2002: City Council approved Amendment No. 4 to the lease.

November 20, 2003: City Council approved Amendment No. 5 to the lease.

October 12, 2006: City Council approved Amendment No. 6 to the lease.

June 28, 2007: City Council approved Amendment No. 7 to the lease.

May 26, 2011: City Council approved Amendment No. 8 to the lease.

January 10, 2013: City Council approved Amendment No. 9 to the lease.

FUNDING:

N/A

FINANCIAL IMPACT:

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Pensacola Aviation pays ground rent for the property it uses. The annual rental payment is currently $59,470.97. The additional property required for the hangar expansion will be added to the annual rental at the rate of $0.32 per square foot. The overall rental rate is adjusted every five years.

CITY ATTORNEY REVIEW: Yes

10/1/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Daniel Flynn, Airport Director

ATTACHMENTS:

1) Pensacola Aviation Center Lease Agreement Amendment No. 10

PRESENTATION: No