



Legislation Details (With Text)

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On agenda: 5/13/2021 **Final action:** 5/13/2021
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Title: AIRPORT - APPROVAL OF AMENDMENT NO. 6 TO THE LEASE AND OPERATING AGREEMENT WITH PENSACOLA AVIATION CENTER, LLC (F/K/A AEROSE LLC)
Sponsors: Grover C. Robinson, IV
Indexes:
Code sections:
Attachments: 1. Pensacola Aviation Center (fka Aerose LLC) Amendment No. 6

| Date | Ver. | Action By | Action | Result |
|-----------|------|-------------------|--------------------------|--------|
| 5/13/2021 | 1 | City Council | Approved | |
| 5/10/2021 | 1 | Agenda Conference | Placed on Consent Agenda | Pass |

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

AIRPORT - APPROVAL OF AMENDMENT NO. 6 TO THE LEASE AND OPERATING AGREEMENT WITH PENSACOLA AVIATION CENTER, LLC (F/K/A AEROSE LLC)

RECOMMENDATION:

That City Council authorize the Mayor to execute Amendment No. 6 to the Lease and Operating Agreement with Pensacola Aviation Center, LLC (f/k/a Aerose LLC). Further, that City Council authorize the Mayor to take all actions necessary to execute the Amendment No. 6.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Pensacola Aviation Center, LLC entered into a Lease and Operating Agreement (Lease 1) with the City on November 1, 1997 to construct improvements for a Fixed Based Operator Facility at the Airport. These services, as defined in the Minimum Standards for Commercial Aeronautical Activities at Pensacola International Airport, include aircraft fueling, ramp assistance, pilot services and concessions, and airframe and powerplant maintenance. Secondary services may include flight training, aircraft charter or air taxi and aircraft management operations, aircraft rental, avionics maintenance and sales, aircraft storage and hangars, aircraft sales, aircraft restoration and refurbishing, and specialized flying services.

On July 14, 2016, City Council authorized the assignment and assumption of a lease from Aerose LLC, another airport Fixed Base Operator, to Pensacola Aviation Center LLC (Lease 2). This provided Pensacola Aviation Center, LLC two locations under two different Lease and Operating agreements in order to conduct Fixed Base Operations services at the Airport.

To further expand the facilities at the Airport, the City approved Amendment No. 10 to Lease 1 that provides additional land for the construction of a clear span hangar and additional T-hangars. In exchange for an investment by the Lessee of at least \$2.9 million and a completion timeline of 18 months, the Amendment No. 10 to Lease 1 extended the lease term by 15 years.

The City also approved Amendment No. 4 to Lease 2 that provides additional land for the construction of an aircraft hangar of approximately 20,000 square feet. In exchange for an additional investment by the lessee of at least \$1.5 million and a completion timeline of 12 months, the Amendment No. 4 to Lease 2 extended the lease term by 15 years.

In order to marry the construction timelines for Lease 1 and Lease 2, Amendment No. 6 to Lease 2 would modify the construction completion period from 12 months to 18 months as specified in Amendment No. 4. Construction is estimated to be completed by December 2022.

PRIOR ACTION:

May 5, 2004 - City Council approved the lease with Aerose LLC.

September 9, 2007 - City Council approved Amendment No. 1.

November 15, 2012 - City Council approved Amendment No. 2.

June 18, 2015 - City Council approved Amendment No.3.

July 14, 2016 - City Council authorized the assignment and assumption of the lease from Aerose LLC to Pensacola Aviation Center, LLC.

June 11, 2020 - City Council approved Amendment No. 4.

August 13, 2020 - City Council approved Amendment No. 5

FUNDING:

N/A

FINANCIAL IMPACT:

None

CITY ATTORNEY REVIEW: Yes

4/19/2021

STAFF CONTACT:

Keith Wilkins, City Administrator
Richard Barker, Jr., Deputy City Administrator - Administration & Enterprise
Matthew F. Coughlin, Airport Director

ATTACHMENTS:

- 1) Pensacola Aviation Center (fka Aerose LLC) Amendment No. 6

PRESENTATION: No