



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 20-00208

City Council

5/28/2020

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

AIRPORT - PENSACOLA AVIATION CENTER CONSENT TO SUBLEASE TO MEGA T INC

RECOMMENDATION:

That City Council authorize the Mayor to execute written consent allowing Pensacola Aviation Center to sublease portions of its Leased Premises to Mega T Inc., d/b/a Pensacola Air. 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 on August 2, 2016.

On April 15, 2020, PAC notified the Airport that it wished to sublease hangar and office space at the Innisfree Jet Center to Mega T Inc., d/b/a Pensacola Air in order to provide commercial aeronautical services/activities described as Flight Training and Aircraft Rental. Space had previously been subleased to Aero Capital USA, LLC, for an Air Charter business.

As provided in Article XXXIII of the Lease Agreement with the City as modified in Amendment No. 2 of the lease, PAC may not sublease all or any portion of the Leased Premises or all or any portion of the improvements thereon, without first obtaining the written consent of the City. The Consent By Lessor Document provides the required written consent without granting rights not contained in the original lease as amended. A separate Operating Permit between the City and Mega T, Inc. will be executed in order to provide the financial and operational framework for Mega T, Inc. to provide services at the Airport.

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.

March 8, 2018 - City Council approved sublease to Aero Capital USA, LLC.

FUNDING:

N/A

FINANCIAL IMPACT:

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

CITY ATTORNEY REVIEW: Yes

5/7/2020

STAFF CONTACT:

Keith Wilkins, City Administrator

Richard Barker, Jr., Deputy City Administrator - Administration & Enterprise

Daniel E. Flynn, Airport Director

ATTACHMENTS:

- 1) Pensacola Aviation Center Consent to Sublease

PRESENTATION: No