TORIDA

City of Pensacola

Memorandum

File #: 20-00389 City Council 8/13/2020

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

AIRPORT - APPROVAL OF AMENDMENT NO. 5 TO THE LEASE AND OPERATING AGREEMENT WITH BLUE AIR TRAINING LLC

RECOMMENDATION:

That City Council authorize the Mayor to execute Amendment No. 5 to the Lease and Operating Agreement between the City of Pensacola and Blue Air Training LLC (f/k/a ECKO Air LLC) at the Pensacola International Airport. Further, that City Council authorize the Mayor to take all necessary actions to execute Amendment No. 5.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The City of Pensacola and ECKO Air LLC entered into a Lease and Operating Agreement dated August 18, 2004. Under the Agreement, ECKO Air LLC leased certain property at the Pensacola International Airport on which it developed a hangar and office complex to provide commercial aeronautical services to the public.

In order to provide flight training services from the facility, ECKO Air was required to lease an additional 26,620 square feet of available aircraft apron parking space. The City executed Amendment No. 4 to the Lease and Operating Agreement in order to add the space to the leasehold.

On May 14, 2019, ECKO Air LLC assigned all of its rights, title, interest, and leasehold estate in, to, and under the lease to Blue Air Training LLC, a provider of contracted air services to the US Military.

On June 11, 2020, Blue Air Training LLC notified staff that it did not need the additional aircraft apron parking space and requested that the space be deleted from its leasehold. Coincidentally, the location of the subject apron space will be reconstituted under the Remain-Overnight Apron Project. This area is to be used for future air carrier parking as identified in the Airport Master Plan.

PRIOR ACTION:

August 18, 2004 - City entered into a Lease and Operating Agreement with ECKO Air LLC.

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March 16, 2005 - City executed Amendment No. 1 to the Lease and Operating Agreement.

July 25, 2005 - City executed Amendment No. 2 to the Lease and Operating Agreement.

May 25, 2010 - City executed Amendment No. 3 to the Lease and Operating Agreement.

March 31, 2017 - City executed Amendment No.4 to the Lease and Operating Agreement.

May 14, 2019 - ECKO Air, LLC assigned the Lease and Operating Agreement to Blue Air Training LLC.

FUNDING:

N/A

FINANCIAL IMPACT:

The \$20,074.83 annual rent for Blue Air Training LLC will be reduced by \$8,457.18 for a new annual rent of \$11,617.66.

CITY ATTORNEY REVIEW: Yes

7/21/2020

STAFF CONTACT:

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

ATTACHMENTS:

1) Blue Air Training Amendment No. 5

PRESENTATION: No