

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-449
OCTOBER 21, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
APPROVAL OF SECOND AMENDMENT— ELLIOTT AVIATION OF DES MOINES, INC. LEASE AGREEMENT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	WILLIAM FLANNERY AVIATION DIRECTOR

SYNOPSIS —

Due to Federal and State regulations concerning underground fuel storage tanks, Elliott Aviation of Des Moines, Inc. (and the owner of the tanks, Texaco) must remove the existing underground fuel storage tanks on Elliott's Leased Premises at the Des Moines International Airport. The current Airport Rules and Regulations allow for such removal and the temporary above-ground storage of fuel, but states that such activity must be by written agreement between the parties. Elliott has agreed to a Second Amendment to the Agreement which will allow for the removal and temporary above-ground storage until a consolidated aircraft fuel storage facility is built on the Airport. This consolidated aircraft fuel storage facility project is included in the proposed Capital Improvements Program for construction in 2001-02. If this facility is not constructed by private industry before this time, it will be constructed in 2001-02 by the City. At such time as the consolidated aircraft fuel storage facility is built, Elliott will have 30 days to decide whether to use the consolidated aircraft fuel storage facility or reinstall an underground fuel storage facility on its Leased Premises.

FISCAL IMPACT —

There would be no fiscal impact on the City. Elliott is charged with the complete removal of the existing underground tank, the mitigation of any fuel contamination of the ground, and necessary pavement replacement. Elliott would be allowed, at their own expense, to install a temporary above-ground aircraft fuel storage facility.

RECOMMENDATION —

Approval.

BACKGROUND —

On February 1, 1982, by Roll Call No. 444, the City Council approved a Lease Agreement with Elliott Flying Service, Inc. for certain premises, facilities, and rights on the Des Moines International Airport. On April 1, 1991, by Roll Call No. 91-1318, the City Council approved a First Amendment modifying the description of the Leased Premises. On May 6, 1996, by Roll Call No. 96-1666, City Council approved an Assignment of Lease assigning the amended agreement from Elliott Flying Service, Inc. to Elliott Aviation of Des Moines, Inc. On August 6, 1996, by Resolution No. A96-183, the Board approved a change to the Airport Rules and Regulations to allow temporary above-ground storage of aviation fuel.

On September 10, 1996, by Resolution No. A96-234, the Des Moines International Airport Board recommended approval of the Second Amendment of the Amended Lease Agreement between the City and Elliott Aviation of Des Moines subject to the review and approval by the Legal Department. Since Board approval, the Second Amendment has been approved by Legal Counsel.