

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 97-110
MARCH 3, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
APPROVAL OF LEASE AMENDMENT— EXPANSION OF AIRPORT LEASEHOLD FOR IOWA AIR NATIONAL GUARD	◆ RESOLUTION ORDINANCE RECEIVE/FILE	WILLIAM F. FLANNERY AVIATION DIRECTOR

SYNOPSIS —

A Lease Agreement between the U.S. Government and the City, entered into on June 23, 1975, for the use of Airport property by the Iowa Air National Guard (IANG) has been amended on three separate occasions during its term. The U.S. Government has requested approval of Supplemental Agreement No. 4 to the Lease Agreement to incorporate an additional parcel of land into the Leasehold. The parcel, as reflected on the attached Plat labeled as Exhibit A, is located to the south of relocated SW 42nd Street/Watrous Avenue, a new City street recently relocated by the City, at U.S. Government expense, to make area available on the Airport to allow the U.S. Government to construct new munitions storage facilities for use by the IANG. The IANG needs to promptly amend the Lease Agreement to incorporate land on which a portion of the munitions facilities have been constructed so they can begin to use the new munitions facilities and allow demolition of the old munitions storage facilities. In addition to inclusion of the additional land, the lease is to be amended to include the following:

- Create a Restrictive Safety Area immediately to the west and north of the parcel referred to above. The Supplemental Agreement establishes a Restrictive Safety Area on Airport property but does not incorporate the area into the leasehold. In the Restrictive Safety Area, human habitation and the gathering of large groups of people is discouraged. Within this area, the IANG is granted the right to post signs notifying the public of the Restrictive Safety Area zone, and the IANG is provided ingress and egress to the area.
- Inclusion of language that allows authorized personnel access to the Airfield by the way of Gate 18. Gate 18 is located just south of the point where SW 42nd Street was relocated to the southeast and the gate area itself is to be incorporated into the leasehold.

With the existing lease having over three years remaining, City Council must approve the Supplemental Agreement. On February 4, 1997, by Resolution No. A97-70, the Airport Board endorsed approval of Supplemental Agreement No. 4, subject to the City receiving a "letter of intent" from the National Guard Bureau whereby the National Guard commits to continue providing their current level of in-kind services for a period of time after the Airport has completed purchasing all the necessary land for expansion of the IANG Airport Leasehold.

FISCAL IMPACT —

No change to the current payment of one dollar (\$1) per year for lease. The Airfield Use Fee remains at \$25,500 per year and the IANG will continue providing Aircraft Rescue and Fire Fighting (ARFF) services for the Airport valued at more than \$1.2 million annually, of which approximately \$970,000 annually is the value of those services provided to the Airport to meet or exceed Federal Aviation Administration (FAA) requirements.

RECOMMENDATION —

1. Receive and file the "Letter of Intent" from the National Guard Bureau.
2. Upon consideration of the three current Agreements with the U.S. Government for use and occupancy of Airport property and the providing of services thereon by the Iowa Air National Guard, conclude that the City of Des Moines is receiving "fair and reasonable" compensation.
3. Approve Supplemental Agreement No. 4 to the Lease.

BACKGROUND —

On June 23, 1975, by Roll Call No. 2969, the City Council approved a Long-Term Lease of Airport property between the City of Des Moines and the United States of America. The U.S. Army Corps of Engineers, the leasing agent for all military agencies, has, in turn, assigned the use of the leased area to the Iowa Air National Guard (IANG). The term of the Lease began on June 23, 1975, and extended through June 30, 1976, renewable thereafter from year to year without further notice but in no event to extend beyond June 30, 2025. The consideration to the City of Des Moines for this lease is \$1 per year.

The Lease requires a separate Airport Use Agreement between the parties to provide payment by the Government for its proportionate share of the maintenance and service expenses incurred in the operation of the Des Moines International Airport. To implement this provision on June 23, 1975, by Roll Call No. 3016, the City of Des Moines approved a Joint Use Agreement with Armory Board, State of Iowa. The term of this Agreement began on July 1, 1975, and extended through June 30, 2025. The consideration to the City for this Airport Use Agreement is \$25,500 per year.

On May 20, 1991, by Roll Call No. 91-2057, the City Council approved the voluntary acquisition of properties for IANG expansion with said land acquisition to be accomplished by the City provided the IANG perform and pay for Aircraft Rescue and Fire Fighting (ARFF) services for the Airport. Also on May 20, 1991, by Roll Call No. 91-2056, the City Council approved the Interim Second Amendment to the Reciprocal Aircraft Rescue/Fire Protection Agreement. This current ARFF Agreement provides that "any party may, upon (90) days' written notice, renegotiate or terminate this agreement." Currently, in compliance with the provisions of the ARFF Agreement, the U.S. Government is paying, excluding the cost of the government-furnished equipment, in excess of \$1.2 million annually to provide ARFF services at the Des Moines International Airport, of which approximately \$970,000 annually is the value of those services provided to meet or exceed Federal Aviation Administration (FAA) requirements. In exchange the Airport is purchasing land costing between \$650,000 to \$850,000 per year for future U.S. Government use.

**SUPPLEMENTAL AGREEMENT #4
WITH U.S. GOVERNMENT
EXHIBIT**

