



Agenda Item:

54

## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: March 7, 2005

Communication

No.: 05-107

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Robert L. Hagener, Airport Director

### SUBJECT—

Approval of the Lease Agreement with the United States of America (Iowa Air National Guard) located on property at the Des Moines International Airport to approve Supplemental Agreement No. 9 from 2040 to 2060

### SYNOPSIS—

By Letter dated December 23, 2003, Iowa Air National Guard (IANG) Civil Base Engineer, Timothy B. Brady, P.E. explained the need to extend the Agreement again. On January 6, 2004, by Resolution A04-05, the Airport Board approved the initiation of negotiations to extend the term of the Lease Agreement from June 30, 2040 to June 30, 2060, with no other changes in the Agreement in order to meet the minimum requirements for the IANG to be considered for future funding and missions.

### BACKGROUND—

Two initiatives within the Department of Defense have the potential to profoundly affect the future of the 132d Fighter Wing of the IANG. These two processes are:

- 1) **Base Realignment and Closure (BRAC) 2005.** BRAC 2005 is both the closing, as well as the consolidation, of bases and installations within the Department of Defense. The purpose of BRAC 2005 is to shape the infrastructure of the DOD so that it may efficiently accomplish its mission. BRAC 2005 began in 2002 and will consummate in September 2005 when the BRAC Commission presents its recommendations to President Bush for his approval.

- 2) **The transformation of processes, organizations and technologies.** Essentially this stems from a shift in the “threat” from massive numbers of enemy troops and equipment to small terrorist groups in urban areas. Also, technology has evolved and significantly improved capabilities whereby fewer fighter units will be necessary in the future.

A leasehold extension for the IANG at the Des Moines International Airport would favorably influence Department of Defense and Congressional leaders in their BRAC 2005 and Transformation decisions. Maintaining the 132d Fighter Wing at the Airport would be a wise choice for the City of Des Moines, the State of Iowa, and the United States of America.

It is important to point out that the current long-term land lease allows the federal government to pay the Airport \$1 per year for the leasehold but does not obligate the federal government to use the leasehold for its current military mission. It is the current military mission that allows the IANG to provide at federal government expense, under short-term agreements, valuable in-kind services and airfield projects as consideration for the favorable long-term land/facility arrangement. The City Council has previously determined that these in-kind services and the monetary amounts paid by the IANG to be fair and reasonable rental for the IANG leasehold. Unfortunately, there is no requirement in the long-term Lease that obligates the federal government to continue providing the valuable in-kind services and future airfield projects as a condition for them to keep the \$1 per year, long term lease.

An agreement between the Des Moines International Airport and the Iowa Air National Guard specifies that the Air Guard will supply Crash, Fire, and Rescue Services at the Des Moines International Airport as long as the IANG has a flying mission at the Des Moines International Airport. The Airport Crash, Fire, Rescue responded to 198 emergencies in calendar year 2004.

The approximate value of these services is:

- Annual salaries for 24 State employees is \$1,464,200
- Fire-fighting equipment valued at \$2,500,000
- Fire-fighting gear valued at \$30,000
- The Air Guard has 27 fully qualified military fire fighters to augment the 24 State employees should the need arise.

On February 1, 2005, by Resolution A05-22 the Airport Board recommended approval to City Council of Supplemental Agreement No. 9.

On February 28, 2005, by Roll Call No. 05436, the City Council set a Date of Public Hearing for approval of Supplemental Agreement No. 9.

#### **FISCAL IMPACT—**

The Department of Defense spends approximately \$34,000,000 per year to operate the IANG's 132d Fighter Wing. \$29,000,000 of this is salaries paid to civilian, military and state employees. \$5,000,000 is spent on a wide range of products and services to accomplish IANG's mission.

**RECOMMENDATION—**

Since the IANG Lease term has over three years remaining, City Council is required to approve Supplemental Agreement No. 9 to the Lease Agreement with the United States of America (Iowa Air National Guard) located on property at the Des Moines International Airport. The Airport Board and City staff recommend approval of Supplemental Agreement No. 9.

The IANG's long-term Lease Agreement has been amended on eight separate occasions during its term. The term of the Lease began on June 23, 1975, and, as amended, now extends on a year-to-year basis without further notice but in no event beyond June 30, 2040. On July 23, 2001, by Roll Call No. 01-2302, City Council approved the latest amendment (Supplemental Agreement No. 8) that incorporated additional City owned properties into the existing Long-term Lease Agreement and extended the term of the Agreement by 10 years, from an expiration date of June 30, 2030, to June 30, 2040. This extension was requested so that the IANG would be permitted to program additional federal Capital Improvement Funds to complete all the projects listed in their Master Plan.