

★ **Roll Call Number**

Agenda Item Number

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.....
Date February 11, 2008

**Approval of a Development Agreement and Building Lease with
Mesaba Airlines, Inc. for Property at the Des Moines International Airport**

WHEREAS, the City of Des Moines, hereinafter called "City", owns an airport known as the Des Moines International Airport, located in Polk County, Iowa, hereinafter called the "Airport"; and

WHEREAS, on September 20, 1993, by Roll Call No. 93-3490, the Des Moines City Council approved Ordinance 12,040 assigning certain rights and responsibilities pertaining to the Airport to the Des Moines International Airport Board (hereinafter called the "Airport Board"), including the right to enter into leases of up to three years in duration and other certain agreements; and

WHEREAS, Airport staff and Mesaba Airlines representatives have been discussing a new maintenance facility to be constructed at the Airport; and

WHEREAS, Mesaba and the Airport have negotiated a Development Agreement and Building Lease ("Agreement") that includes provisions whereby Mesaba would contribute to the construction of and occupy a new maintenance facility valued at approximately \$12 million; and

WHEREAS, Airport staff and Mesaba have determined that an Agreement with a ten year term and a ten year option would be most appropriate to address both parties' needs; and

WHEREAS, the Agreement is greater than three years and therefore requires approval by Des Moines City Council; and

WHEREAS, on December 3, 2007, by Roll Call No. 07-2300, City Council set a date of public hearing on the proposal for December 17, 2007, and directed the City Clerk to publish notice of the proposal and the hearing; and

WHEREAS, pursuant to Sections 364.7 and 362.3 of the Code of Iowa, notice of the hearing on the proposed Development Agreement and Building Lease between the City of Des Moines and Mesaba Airlines, Inc. for property and other rights at the Des Moines International Airport was duly published on December 7, 2007, as provided by law; and

WHEREAS, on December 17, 2007, by Roll Call No. 07-2419, City Council continued the hearing to January 7, 2008; and

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Date February 11, 2008

WHEREAS, on January 7, 2008, by Roll Call No. 08-072, City Council continued the hearing to February 11, 2008, and directed the City Clerk to again publish notice of the proposal and the hearing; and

WHEREAS, on February 5, 2008, by Resolution A08-037 the Des Moines International Airport Board recommended City Council approval of a Development Agreement and Building Lease with Mesaba Airlines, Inc.; and

WHEREAS, the notice of the hearing was published as directed and the public meeting and hearing has been duly held at the time and place provided for and in accordance with said notice, and those interested in said Agreement with Mesaba Airlines, Inc., both for and against, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council; and

WHEREAS, the City of Des Moines has determined that the Development and Lease Agreement would be advantageous and beneficial to the City; and

WHEREAS, the City Council deems it advisable to act favorably and finally upon said Agreement.

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF DES MOINES, IOWA:

That the Development Agreement and Building Lease between the City of Des Moines and Mesaba Airlines, Inc. is approved and the Mayor is authorized to execute the Agreement with attestation by the City Clerk

(Council Communication 08-063 is attached.)

Moved by _____ to adopt.

Approved as to form:


 David A. Ferree, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				
MOTION CARRIED			APPROVED	

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

 Mayor

 City Clerk

February 1, 2008

Mr. Craig Smith
Aviation Director
Des Moines International Airport
5800 Fleur Drive
Des Moines, IA 50321

RE: Development Agreement and Building Lease between the City of Des Moines, Iowa and Mesaba Aviation, Inc., d/b/a Mesaba Airlines, dated February 1, 2008.

Dear Mr. Smith:

On behalf of Mesaba Airlines, enclosed please find three original copies of the Development Agreement and Building Lease between the City of Des Moines, Iowa and Mesaba Aviation, Inc., d/b/a Mesaba Airlines, dated February 1, 2008.

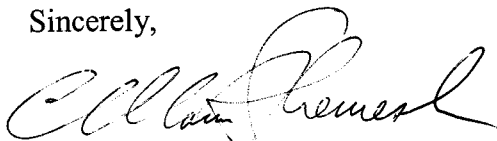
All of the enclosed agreements have been executed by Mesaba's President, John G. Spanjers.

Please counter-sign all three of the enclosed documents. **Upon counter-signing these Agreements, please insert the "Effective Date" of this Agreement into in the first paragraph of Page 1 of each copy enclosed herein.** Please retain two original, fully executed copies of the Agreement for the City of Des Moines and the Des Moines International Airport, and return the third fully executed original to my attention for Mesaba's records. Please send Mesaba's fully executed copy via overnight courier to my attention at the following address:

Mesaba Aviation, Inc.
c/o: Max Shemesh, MCH, Inc. Legal Counsel
1000 Blue Gentian Road, Suite 200
Eagan, MN 55121

Please contact me should you require further information, or if you have any further questions.

Sincerely,



Maximillian T. Shemesh
Legal Counsel
Mesaba Compass Holdings, Inc.
651-367-5218
Max.Shemesh@mcholdingsinc.com

Cc: John G. Spanjers