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Date August 11, 2008

WHEREAS, the City of Des Moines owns and operates an airport known as Des Moines International Airport (hereinafter called the "Airport"), located in Des Moines, Polk County, Iowa; 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 "Board"), including the right to enter into leases up to three years in duration and certain other agreements; and,

WHEREAS, on February 1, 1982, by Roll Call No. 82-442, the City of Des Moines entered into an Amended Fixed Base Operator Lease with Des Moines Flying Service for certain premises, facilities and rights, all of which relate to City's ownership and operation of the Airport; and,

WHEREAS, on June 15, 1987, by Roll Call No. 87-2632, the Des Moines City Council, approved the assignment by Des Moines Flying Service of its interests in the Original Lease to Van Dusen Airport Services Company, Limited Partnership. In order to facilitate Lessee's construction of a corporate hangar, the parties entered into a "First Amendment" to Lease Agreement on June 22, 1987; and,

WHEREAS, on September 26, 1988, by Roll Call No. 88-4353, City Council approved the "Second Amendment" further modifying certain terms of the Agreement; and,

WHEREAS, on September 24, 1990, through Roll Call No. 90-4292, City Council approved Assignment of Lease assigning the Agreement from Van Dusen Airport Services Company, Limited Partnership, to Page Avjet Airport Services, Inc., whose name was subsequently changed to Signature Flight Support Corporation; and,

WHEREAS, on December 21, 1998, by Roll Call No. 98-3934 the City of Des Moines entered into a "Third Amendment to Amended Lease Agreement" which the Des Moines City Council approved; and,

WHEREAS, the Des Moines International Airport desires to reclaim a portion of the leased area for use by the Airport and both parties have reached preliminary agreement that Lessee will relinquish to Lessor possession of a certain portion of the Lease Premises and Lessor will reduce the rent accordingly; and,

★ Roll Call Number

Agenda Item Number 31

Date August 11, 2008

WHEREAS, on August 5, 2008, the Airport Board by Resolution A08-154 deemed it to be in the best interest of the Airport and recommended to the City Council approval of Amendment No. 4 to the Amended Fixed Base Operator Lease Agreement; and,

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

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

That Amendment No. 4 to the Amended Fixed Base Operator Lease Agreement Signature Flight Support Corporation is approved and the Mayor is authorized to execute the Agreement with attestation by the City Clerk.

(Council Communication No. 08-500)

Moved by _____ to adopt.

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

MOTION CARRIED

APPROVED

Mayor

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.

City Clerk



Resolution Number

A08-154

Agenda Item Number

8

Date: August 5, 2008

WHEREAS, the City of Des Moines owns and operates an airport known as Des Moines International Airport (hereinafter called the "Airport"), located in Des Moines, Polk County, Iowa; 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 "Board"), including the right to enter into leases up to three years in duration and certain other agreements; and

WHEREAS, on February 1, 1982, by Roll Call No. 82-442, the City of Des Moines entered into an Amended Fixed Base Operator Lease with Des Moines Flying Service for certain premises, facilities and rights, all of which relate to City's ownership and operation of the Airport; and

WHEREAS, on June 15, 1987, by Roll Call No. 87-2632, the Des Moines City Council, approved the assignment by Des Moines Flying Service of its interests in the Original Lease to Van Dusen Airport Services Company, Limited Partnership. In order to facilitate Lessee's construction of a corporate hangar, the parties entered into a "First Amendment" to Lease Agreement on June 22, 1987; and

WHEREAS, on September 26, 1988, by Roll Call Number 88-4353, City Council approved the "Second Amendment" further modifying certain terms of the Agreement; and

WHEREAS, on September 24, 1990, through Roll Call No. 90-4292, City Council approved Assignment of Lease assigning the Agreement from Van Dusen Airport Services Company, Limited Partnership, to Page Avjet Airport Services, Inc., whose name was subsequently changed to Signature Flight Support Corporation; and

WHEREAS, on December 21, 1998, by Roll Call No. 98-3934 the City of Des Moines entered into a "Third Amendment to Amended Lease Agreement" which the Des Moines City Council approved; and

WHEREAS, the Des Moines International Airport desires to reclaim a portion of the leased area for use by the Airport, both parties now agree that Lessee will relinquish to Lessor possession of a certain portion of the Leased Premises and Lessor will reduce the rent accordingly; and

WHEREAS, the Board deems it to be in the best interest of the Airport to recommend approval of Amendment No. 4 to the Amended Fixed Base Operator Lease Agreement;



Resolution Number

A08-154

Agenda Item Number

8

Date: August 5, 2008

NOW, THEREFORE, BE IT RESOLVED BY THE AIRPORT BOARD OF THE CITY OF DES MOINES, IOWA,

That Amendment No. 4 to the Amended Fixed Base Operator Lease Agreement Signature Flight Support Corporation is recommended for approval to the City Council of Des Moines and the Airport Board Chairperson is authorized and directed to send said recommendation forward.

(Board Communication No. 08-0810)

Moved by Gentry to adopt.

Approved as to form:

David A. Ferree
David A. Ferree
Assistant City Attorney


Board Action	Yeas	Nays	Pass	Absent	Certificate
Brooks	✓				
Cupp				✓	
Erickson	✓				
Gentry	✓				
Hansell	✓				
Ross	✓				
Ward	✓				
TOTAL	6	0	0	1	
MOTION CARRIED		APPROVED			

James E. Emerson Chairperson

Lorna L. Davros Board Clerk

OFFICE OF THE AVIATION DIRECTOR
Des Moines, Iowa

Airport Board Communication 08-0810
August 5, 2008

Subject:	Action Required:	Submitted By:
Recommend Approval of Lease Amendment No. 4 With Signature Flight Support Corporation	<ul style="list-style-type: none"> Receive/File • Recommend Approval to Council Approval 	 Craig S. Smith, A.A.E. Aviation Director

BACKGROUND:

On February 1, 1982, by Roll Call No. 82-442, the City entered into an Amended Fixed Based Operator Lease Agreement ("Agreement") with Des Moines Flying Service, Inc. for certain premises, facilities, and rights, all of which relate to City's ownership and operation of the Airport and the operations of Des Moines Flying Service thereon. There have been three amendments to the Agreement to modify certain terms, to allow for certain facility and property to be constructed, and to allow for the removal of fuel containment systems. In addition, the lease has been assigned to different parties over its term; since 1998 the Agreement has been with Signature Flight Support Corporation ("Signature").

The original Agreement was due to expire on February 28, 2002, but allowed for two separate five-year options. The execution of each by Signature has extended the Agreement until February 29, 2012.

As a result of excess demand on close-in public parking over the past several years, Staff has examined a myriad of ways to expand public parking on a cost-effective basis. Because the Signature leasehold is located immediately north of the Passenger Terminal area, the Airport began discussions to possibly reclaim a currently-unused portion of Signature's leasehold to use for parking.

The parcel of ground focused on is an unimproved area on the east end of Signature's leasehold, immediately north of the current "North Employee" parking area (see attached diagram; the area discussed is referenced as the reclaimed area). It needs to be noted that this parcel of land is generally unfit for use beyond leaving it unused or utilizing it for parking, because it previously served as the former site of Signature's underground fuel storage farm. According to the DSM Airport Environmental Officer:

"The Signature Flight Support East Leasehold contains a Leaking Underground Storage Tank (LUST) site. This site, LUST # 7LTD84, has been assigned a 'No Action Required' classification by the Iowa Department of Natural Resources (Iowa DNR) based largely on a risk-based corrective action (RBCA) Tier 2 evaluation on conditions that existed in January 2004.

Airport Board Communication No. 08-0810

August 5, 2008

Page 2

Iowa DNR reserves the right to change classification of the site if site conditions change. There are two options for utilizing the land without risking a change in classification. The first option is to leave the land as is. The second option is to cover the site with concrete. To do any development requiring the installation of water lines or sewer lines would risk the site being reclassified as high risk, requiring remediation.

At this time, the best use for the site would be to cap the site with a parking lot and let natural attenuation degrade the contamination that may be left at the site.”

The parties have agreed on all terms of the Amendment and effective August 1, 2008, Signature will relinquish this portion of the leasehold and the Airport will reduce the rent accordingly. Because the term of the Agreement is greater than three years, this Amendment requires ultimate approval from City Council.

FISCAL IMPACT:

The parcel of land to be reclaimed is approximately 1.56 acres, or 10.1% of the total leasehold area. Signature is currently paying annual ground rent of \$71,053.08. In exchange for reclaiming the parcel, the Airport would lower Signature’s corresponding rent by 8.98%, which represents an adjustment of \$7,199.05 annually beginning August 1, 2008. The Agreement allows for incremental increases to the rental payment based on the Consumer Price Index.

RECOMMENDATION:

That the Board recommends City Council approval of Amendment No. 4 to the Lease Agreement with Signature Flight Support Corporation.

Airport Board Communication No. 08-0810

August 5, 2008

Page 3

