

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Skylark Field Lease Agreement - Jacob Paxton d/b/a Paxton Aviation

ORIGINATING DEPARTMENT

Department of Aviation

BACKGROUND INFORMATION

On December 8, 2015, Council approved a lease agreement with Mr. Jacob Paxton d/b/a Paxton Aviation for a small office on the south end of Skylark Field that authorized the company to initiate aviation business on the airport as a Fixed Base Operator (FBO), with the primary business activities being aircraft rental and flight training.

DISCUSSION/CONCLUSION

Concurrent with the initial lease approval and coordination with staff for the occupancy of the office, staff negotiated a superseding lease agreement with Mr. Paxton that will upgrade the leased facilities to the currently vacant 6,400 square foot hangar located at 1503 Stonetree Drive. This will allow the tenant to increase the scope of services they can provide to the public at the airport to now include aircraft maintenance, aircraft charter operations, and aircraft storage. The term of the new lease agreement is for three years beginning February 1, 2016, and ending January 31, 2019, with options for two, one-year extensions. This lease agreement supersedes and renders the previous lease agreement with Mr. Paxton null and void.

FISCAL IMPACT

The tenant will rent the facility for \$3,100 per month for the first year. Subsequent years rental rates will increase by an amount equal to the percentage change of the Consumer Price Index (CPI). The lease agreement will provide a first-year annual revenue of \$37,200 to the Skylark Field Airport Enterprise Fund account number 527-0000-324.10-00 Fixed Base Operations. The activities of this tenant are also expected to generate additional fuel sales revenue for the airport; however, that amount cannot be determined at this time.

RECOMMENDATION

City Council approve the attached lease agreement with Jacob Paxton d/b/a Paxton Aviation and authorize the City Manager to execute same.