



LEASE ADDENDUM – GOSNELL / DIAMOND STAR AVIATION AT SKYLARK AIRPORT

RS-19-003

January 8, 2019

Gosnell Lease Addendum

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- Initial lease
 - ▣ September 2017
 - ▣ Three (3) year term / two one (1) year options
 - ▣ \$850 per month
 - ▣ \$4,800 capital improvement limit
 - \$200/month until limit reached
- Capital improvements to hangar to date
 - ▣ Remodel of existing office
 - ▣ Air conditioning, hot water heater
 - ▣ LED hangar lighting and CCTV security system
 - ▣ >\$8,000

Gosnell Lease Addendum

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□ Addendum 1

- ▣ Extends lease seven (7) additional years
 - Increases monthly rent to \$900 in year 4
 - Adds CPI increase for years 5-10
- ▣ Increases capital improvement limit
 - \$14,400
 - Initial 72 months of agreement

□ Capital improvements to hangar planned

- ▣ Additional office space
- ▣ Epoxy flooring / treating structural steel
- ▣ Insulate / sheetrock interior hangar walls
- ▣ >\$ 25,000

Alternatives

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- Do not approve the addendum
 - ▣ Restricts business expansion
 - ▣ No improvements to hangar
 - ▣ Limits revenue potential for tenant and Airport

- Approve the addendum
 - ▣ Provides a source of capital improvement
 - ▣ Provides a consistent revenue source for Skylark Field
 - ▣ Increases value and durability of hangar

Recommendation

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- Approve Lease Addendum 1 with David Gosnell dba Diamond Star Aviation and authorize the City Manager or designee to execute same as well as any and all amendments as allowed per federal, state, or local law.