

ITEM #: 31
DATE: 08-23-22

COUNCIL ACTION FORM

SUBJECT: ADDENDUM TO FIXED BASE OPERATOR AGREEMENT

BACKGROUND:

An addendum to the Fixed Base Operator (FBO) agreement (attached) will be needed in response to a new Summit Ag hangar development at the Airport. Summit is proposing to build a new hangar where the old "Ramp Service Building" is located just northwest of the old Terminal Building. The Ramp Service Building will need to be demolished and will no longer be available to the FBO.

Therefore, the addendum deletes the reference under Section 3, Item E, "Ramp Service Building". Also, it adds a paragraph under Section 2 that in the event, the Owner chooses to extend the agreement after the end of the first 15 years of the agreement, the Owner will consider all facilities made available to the Operator as well as the financial needs of the Airport when establishing the fees to be paid to the Owner by the Operator for the subsequent 15-year period.

ALTERNATIVES:

1. Approve the addendum to the FBO agreement with Charles City Aeronautics, Inc. d/b/a Central Iowa Air Service.
2. Reject the addendum.

MANAGER'S RECOMMENDED ACTION:

By approving the addendum, the City can move forward with the proposed new private hangar development at the Airport. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

ADDENDUM TO THE
AMES MUNICIPAL AIRPORT
FIXED BASE OPERATOR AGREEMENT

WHEREAS, an agreement was approved by the City of Ames, hereinafter referred to as “the City”, on June 23, 2022, with Charles City Aeronautics, Inc. d/b/a Central Iowa Air Service, hereinafter referred to as the “Operator”, to operate the Ames Municipal Airport (“Airport”), hereinafter referred to as “the FBO Agreement”.

WHEREAS, the FBO agreement lists facilities owned by the City that are made available to the Operator to fulfill the service requirements of the agreement.

WHEREAS, Summit Agricultural Group, LLC, hereinafter referred to as “Summit”, desires to construct an airplane hangar and ancillary improvements (collectively, the “Hangar”) on real property owned by the City.

WHEREAS, the location where Summit has proposed to build their Hangar requires the demolition of the Ramp Service Building as described in the FBO agreement.

NOW, THEREFORE, in consideration of the loss of the Ramp Service Building, it is hereby agreed as follows:

That Section 3, Items A to G on page five is stated as follows:

- “A. 7,000 sq ft Terminal Building (Building A)
- B. 11,400sq ft Itinerant Hangar (Building B)
- C. 4 T-Hangar Buildings – 52 Bays (Buildings F, G, H, I)
- D. 5,100 sq ft Maintenance Shop (Building E)
- E. 4,500 sq ft Ramp Service Building (Building D)
- F. 4,600 sq ft Office/Misc Space (Building C – Old Terminal)
- G. Fuel Farm – 10,000 gal 100LL, 10,000 gal Jet A (Southeast of Building A)”

Shall be deleted from the FBO agreement and substituted in lieu thereof the following statement:

- “A. 7,000 sq ft Terminal Building (Building A)
- B. 11,400sq ft Itinerant Hangar (Building B)
- C. 4 T-Hangar Buildings – 52 Bays (Buildings F, G, H, I)
- D. 5,100 sq ft Maintenance Shop (Building E)
- E. 4,600 sq ft Office/Misc Space (Building C – Old Terminal)
- F. Fuel Farm – 10,000 gal 100LL, 10,000 gal Jet A (Southeast of Building A)”

Also, Section 2, on page four is stated as follows:

“The term of this contract shall commence on July 1, 2022, and end on June 30, 2037. Upon successful completion of the Agreement term, the Owner may choose to extend this

agreement under the same terms through June 30, 2052, or renegotiate another contract with the Operator, or solicit competitive proposals. Owner shall not be obligated to extend this Agreement. This Agreement shall extend to and be binding upon the parties, their successors, and assigns.”

Shall be deleted from the FBO agreement and substituted in lieu thereof the following statement:

“The term of this contract shall commence on July 1, 2022, and end on June 30, 2037. Upon successful completion of the Agreement term, the Owner may choose to extend this agreement under the same terms through June 30, 2052, or renegotiate another contract with the Operator, or solicit competitive proposals. Owner shall not be obligated to extend this Agreement. This Agreement shall extend to and be binding upon the parties, their successors, and assigns.

In the event, the Owner chooses to extend the agreement after the end of the first 15 years of the agreement, the Owner will consider all facilities made available to the Operator as well as the financial needs of the Airport when establishing the fees to be paid to the Owner by the Operator for the subsequent 15-year period”