



The City of Lee's Summit
Final Agenda
Board of Aeronautic Commissioners

Tuesday, January 23, 2018

7:00 PM

*** Amended *** City Council Committee Room

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1 CALL TO ORDER

2 ROLL CALL

3 APPROVAL OF AGENDA

4 APPROVAL OF ACTION LETTER

A. [2017-1676](#) Action Letter dated October 9, 2017.

5 PUBLIC COMMENTS

6 BUSINESS

A. [2018-1792](#) PRESENTATION REGARDING THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Presenter:

Presenter: Bob Hartnett, Deputy Director of Public Works

B. [TMP-0782](#) AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Presenter:

Presenter: John Ohrazda, Airport Manager

7 ROUNDTABLE

8 ADJOURNMENT

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Internet site at "www.cityofls.net".

Packet Information

File #: 2017-1676, **Version:** 1

Action Letter dated October 9, 2017.

Proposed Commission Motion:

I move for approval of the October 9, 2017 Action Letter as submitted.



The City of Lee's Summit
Action Letter
Board of Aeronautic Commissioners

Monday, October 9, 2017
7:00 PM
City Council Committee Room
City Hall
220 SE Green Street
Lee's Summit, MO 64063

1. CALL TO ORDER

The October 9, 2017 Board of Aeronautic Commissioners meeting was called to order by Chairman Townsend, at 7:03 p.m. at City Hall, 220 SE Green Street, in the City Council Committee Room. Notice had been provided by posting the meeting notice with a tentative agenda, at least 24 hours in advance of the meeting, at both entrances to City Hall.

2. ROLL CALL

Present: 6 - Chairperson Tom Townsend
City Council Liaison Craig Faith
Commissioner James Brady
Commissioner Ken Stremming
Commissioner Molly Waller
Commissioner Darryl Nelson

Absent: 3 - Commissioner Phil Mall
Commissioner Joseph Towns
Commissioner Paula Derks

3. APPROVAL OF AGENDA

A motion was made by Commissioner Stremming, seconded by Commissioner Brady, to approve the October 9, 2017 agenda as posted. The motion carried by a unanimous 6-0 vote (Commissioners Mall, Towns and Derks "Absent").

4. APPROVAL OF ACTION LETTER

A. Action Letter dated June 12, 2017.

A motion was made by Commissioner Stremming, seconded by Commissioner Waller, to approve the June 12, 2017 Action Letter as submitted. The motion carried by a unanimous 6-0 vote (Commissioners Mall, Towns and Derks "Absent").

5. PUBLIC COMMENTS

There were no public comments.

6. BUSINESS

A. AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION STATE BLOCK GRANT

Board of Aeronautic Commissioners

Action Letter

October 9, 2017

AGREEMENT, BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING FEDERAL FUNDS IN THE AMOUNT OF \$6,234,005.00 TO RELOCATE, CONSTRUCT AND EXTEND TAXIWAY A, TAXIWAY LIGHTING AND SIGNAGE AT THE LEE'S SUMMIT MUNICIPAL AIRPORT. (PWC 10-17-17)

A motion was made by Commissioner Nelson, seconded by Commissioner Brady, that this Ordinance be recommended for approval to the City Council. The motion carried by a unanimous 6-0 vote (Commissioners Mall, Towns and Derk's "Absent").

- B.** AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION AIRPORT AID AGREEMENT, BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING STATE FUNDS IN THE AMOUNT OF \$346,333.00 TO RELOCATE, CONSTRUCT AND EXTEND TAXIWAY A, TAXIWAY LIGHTING AND SIGNAGE AT THE LEE'S SUMMIT MUNICIPAL AIRPORT. (PWC 10-17-17)

A motion was made by Commissioner Brady, seconded by Commissioner Stremming, that this Ordinance be recommended for approval to the City Council. The motion carried by a 6-0 unanimous vote (Commissioners Mall, Towns and Derks "Absent").

- C.** AN ORDINANCE AUTHORIZING EXECUTION OF MODIFICATION NO. 7 TO THE AGREEMENT WITH CRAWFORD, MURPHY AND TILLY, INC. FOR ON CALL ENGINEERING SERVICES FOR THE AIRPORT (RFQ 2015-300) IN THE AMOUNT OF \$503,453.17. (PWC 10-17-17)

A motion was made by Commissioner Nelson, seconded by Councilmember Faith, that this Ordinance be recommended for approval to the City Council. The motion carried by a 6-0 unanimous vote (Commissioners Mall, Towns and Derks "Absent").

- D.** AN ORDINANCE AWARDED BID NO. 17032172 TAXIWAY A RELOCATION AND EXTENSION IN THE AMOUNT OF \$6,042,123.06 TO MIDWEST HEAVY CONSTRUCTION LLC. AND AUTHORIZATION FOR THE CITY MANAGER TO ENTER INTO AN AGREEMENT ON BEHALF OF THE CITY FOR THE SAME. (PWC 10-17-17)

A motion was made by Commissioner Stremming, seconded by Councilmember Faith, that this Ordinance be recommended for approval to the City Council. The motion carried by a 6-0 unanimous vote (Commissioners Mall, Towns and Derks "Absent").

- E.** Airport Financial Report for the Year Ended June 30,2017

Darlene Pickett, Finance Controller, presented the financial report through June 2017. The Airport is being audited right now, for the annual financial

audit. An operating loss of \$551,303 includes operating revenues of \$1,293,485 with expenses of \$1,844,788. Non-operating items and transfers bring the net income to \$10,384,563. Removing the depreciation expense of \$574,903, the net income adjusted for depreciation is \$10,959,467. Grant reimbursements are \$10,586,587, so the difference would be \$372,880. Operating revenues came in 1% below budget. That was below revenues from last year about \$23,000 or 2%. Rental revenues for FY17 are exceeding budget by 9%, up 18% compared to prior years actual revenues. The hangars are full. Fuel revenues are below budget by \$78,000 or 12%, and down \$87,000 or 13% compared to FY16. Gallons are down 13,000 gallons or 8%. The Airport was closed from April 17 to May 9, and runway 18-36 was closed through Sept. A question was asked about the rental revenues, and if they were due to an increase in rates charged. Mr. Ohrazda, Airport Manager, said that the increase is because they budget at 96% occupancy due to turnovers and service orders. The occupancy has actually been up. Discussion ensued about occupancy.

Expenditures came in under budget \$24,000 or 1%. Salaries and supplies for resale (fuel) came in 9% or \$83,000 below budget. Other services and charges is under budget \$62,000 or 23% (for example fuel used in Airport vehicles and equipment, and fuel discounts). Maintenance and repairs alone was \$84,000 over budget due to painting, doors, electrical on Hangar 1 and transmission in a truck, new battery in the tug, and repairs on mowers. Utilities were over by \$20,000 mostly due to Hangar 1. Everything else expense wise was within 5% of budget (last 5 years shown on chart). Discussion ensued about a chart that was shown, detailing expenses.

This Report was received and filed.

F.

Staff Report, Fuel Sales & Fuel History

Mr. John Ohrazda, Airport Manager, stated the Fuel Sales and Fuel History have a new format. In FY17, the Airport budgeted at least a 20% reduction in fuel sales due to the runway construction. The months that were impacted are highlighted on the spreadsheet in blue. The Airport exceeded fuel sales from July to Sept, when runway 18-36 was closed, as compared to the previous two fiscal years when the runway was open. Fuel sales are actually 20% above. The activity of people coming to the Airport has grown. Bob Hartnett, Deputy Director of Public Works, reported that July was the second biggest month ever for fuel sales.

The criteria that we have to meet a thousand jet operations annually throws the Airport into two different categories: One is a stormwater permit, and the other is FAA criteria. We track every jet operation on a day-to-day basis. Commissioner Stremming asked a question about the stormwater requirements. Mr. Hartnett explained we now will be doing more environmental sampling, which is a higher expense. Mr. John

Ohrazda, Airport Manager, explained that for future fiscal years, there will be a proposed budget for environmental monitoring costs. On an annual basis the Airport will now have to do a sampling of outfalls. There are three criteria: 1) fuel sales; 2) de-icing on runways or aircraft; and 3) maintenance on vehicles. We now have additional outfalls. Tests will be done in Jan, Feb and March if any de-icing is done. Discussion ensued about de-icing and the longer runway. Mr. Hartnett explained that the Airport will have access to an automated liquid system this winter. More discussion ensued about this winter.

This Report was received and filed.

G. Election of Officers

A motion was made by Commissioner Brady, and seconded by Commissioner Waller, to nominate Phil Mall as Chairman and Ken Stremming as Vice-Chairman. The motion carried by a unanimous 6-0 vote (Commissioners Mall, Towns and Derks "Absent").

7. ROUNDTABLE

Use of the new runway was discussed. Citizens Leadership Academy begins in January, and discussion ensued about what is entailed with this group.

Commissioner Stremming commended the ribbon cutting ceremony and made a motion to recommend plaques for past Board Members, which was seconded by Commissioner Waller, and passed unanimously 6-0.

Discussion ensued about an Airport business plan. Mr. Bob Hartnett said the City would be requesting federal money on the NE terminal development area and design money for the centerpiece of taxiway Alpha.

There was also discussion about an Airport Owners & Pilots Association (AOPA) event that is wanting to come to the Airport in the future.

Mr. Hartnett discussed another possible contract with CMT for a new fuel farm at the Airport.

John Ohrzda, Airport Manager, stated that as a Board and staff we've done a better job of outreach events such as tenant open houses. A third one is Oct. 28, in Hangar 1 and the purpose is to share about the taxiway Alpha project. More discussion will be heard at the December meeting.

Mr. Ohrzda discussed the Sikeston, MO, runway extension sinking into pavement.

With the Lee's Summit Airport runway extended and open, there has been more advertising and articles featuring the Airport. There has been local

Board of Aeronautic Commissioners

Action Letter

October 9, 2017

newspaper and TV media coverage. Joel Arrington, Assistant Airport Manager, is at the National Business Aviation Association (NBAA) conference which features aviation booths and people from over 70 countries, to promote the Airport. There has been a lot of interest in the Airport for development opportunities.

The recent Take Flight event was a huge success with over 600 kids in attendance. A Federal Aviation Safety Team (FAST) event was discussed because attendance was very low. How to subscribe to those emails was discussed.

Commissioner Townsend thanked the Board for the opportunity to serve.

Mr. Bob Hartnett and Mr. John Ohrazda shared input from local businesses about use of the Airport. Discussion ensued about future possibilities for aircraft, including international jets and customers.

8. ADJOURNMENT

The October 9, 2017 Board of Aeronautic Commissioners meeting was adjourned by Chairman Townsend at 8:30 p.m. at City Hall, 220 SE Green Street, City Council Committee room.

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Packet Information

File #: 2018-1792, **Version:** 1

PRESENTATION REGARDING THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Issue/Request:

PRESENTATION REGARDING THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Key Issues:

- Airport improvements will require the removal of seven hangar buildings as part of Taxiway Alpha project which will begin in March of 2018.
- Tenants in the seven buildings have been requested to be out of the hangar units by February 20, 2018 to allow for demolition to begin in early March.
- Twenty-eight replacement units have been approved for construction and are expected to be completed by June 30, 2018.
- Rental rates for the new hangars are being proposed to be the same as Hangar Units H & G as they are the same style and size of units which are being built. The H & G units were constructed in 2000. These units currently rent for \$386.00 per month. These units have been subject to a Consumer Price Index (CPI-U) review each year for the last 18 years.
- Staff is proposing a sliding scale rental rate for the first two-years for those tenants who are displaced and must park their aircraft outside until the new hangar units are completed.
- At the end of the second year the rental rates for these tenants would become the full rate as posted in the schedule of fees for these units.

Proposed Committee Motion:

I move to recommend to the City Council approval of THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Background:

The replacement of seven hangar buildings has been in the Airport development plan for many years. With the taxiway improvements beginning in March, the removal of seven hangar buildings will be taking place at this time. Discussion of the removal of these units has been discussed at each of the customer tenant meetings in November 2016 and October

2017. Updates have also been presented at each of the two construction update meetings held in the spring and fall of 2017. Letters terminating the hangar lease agreements for each of the tenants in hangars being demolished were mailed on December 22, 2017.

Prior to the preconstruction meeting on December 19th with the contractor for the taxiway project an exact date wasn't known as to when demolition of the hangars would be taking place. Since December 19th hangar space for 22 of the affected tenants have been found in other hangar units that have become vacant, three have relocated temporarily to other airports and three units vacated previously were not re-rented knowing hangar space availability would be limited. Of the remaining 21 tenants should any hangar units that come available between now and when the new units are completed will be given priority over any other persons on the waiting list.

Hangar rental rates at Lee's Summit tend to be higher than most in the surrounding area. This is partially due to the fact that the hangar units at Lee's Summit are newer than most in the metropolitan area and receive a CPI review each year. The Kansas City Aviation Department built 95 units in 1999 and their rental rates are comparable to Lee's Summit's based on the age and size for units of the same size. The Kansas City Aviation department also does a CPI increase annually which becomes affective on January 1st each year.

Staff recommends that the rental rate for the new hangar units be the same rental rate as Hangar units H & G. In addition, those tenants who are displaced and must park their aircraft outside on the apron until the new units are ready for occupancy be afforded a lesser rental rate for a period of two-years. The rental rates will vary depending the rental rate the tenant was paying for the type of hangar unit they were in prior to their termination. The proposed rates for these tenants are shown on the attached illustration which would include an adjustment be made in the second year.

Any vacancies that occur in the new units, and are filled by tenants not affected by the demolition, would be at the full rate as posted on the schedule of fees.

This presentation will also be made at the February 5, 2018 meeting of the Finance and Budget Committee (F&BC) for information purposes. The F&BC will consider the city-wide Schedule of Fees and Charges, including this proposal, at their March meeting. Their final recommendation will then be forwarded to the City Council at a subsequent meeting.

Impact/Analysis:

The seven buildings to be replaced currently house over 30% of the based aircraft on the Airport. Annual revenues generated from fuel sales and hangar rental from these units is over \$110,000.00 The loss of rental from the units being demolished for the five remaining months of the fiscal year will be approximately \$50,000.00 in revenue. The 28 new units, when completed and rented at the full rental rate, will provide a revenue stream similar to that which is being lost.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

[Enter text here]

File #: 2018-1792, Version: 1

Presenter: Bob Hartnett, Deputy Director of Public Works

Recommendation: Staff recommends approval of THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Committee Recommendation: [Enter Committee Recommendation text Here]

Comparable Hangar Rates in the KC Metro Area as of 1/6/2018

"SMALL HANGAR UNITS"

Airport	Row Designation	Door Type	Year Built	Size	Currently Monthly Rate
Lee's Summit Municipal	H & G	Bi-Fold El.	2000	42' X 33'	\$386.00
Lee's Summit Municipal	K	Bi-Fold El.	1983	40' X 29'	\$324.00
C.B. Wheeler - KC Downtown	Standard S	Bi-Fold El.	2008	42' X 33'	\$352.00
Midwest National Air Center	B,D,E	Bi-Fold El.	1998 - 2006	42' X 31'	\$280.00
Johnson County Airport Commission	A,D,E,K,L,M,N,O,R,S,T	Bi-Fold El.	1971	42' X 32"	\$275.00

Proposed Hangar Rates for New Hangar Units

Airport	Row Designation	Door Type	Year Built	Size	Proposed Monthly Rate
All customers other than displaced	New Hangar Units W & X	Bi-Fold El.	2018	40' X 32'	\$386.00
Displaced Tenants in Units L - FY 19	New Hangar Units W & X	Bi-Fold El.	2018	42' X 32'	\$317.00
Displaced Tenants in Units S-FY19	New Hangar Units W & X	Bi-Fold El.	2018	42' X 32'	\$302.00
Displaced Tenants in Open-T Units -FY19	New Hangar Units W & X	Bi-Fold El.	2018	42' X 32'	\$152.00

Packet Information

File #: TMP-0782, **Version:** 1

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Issue/Request:

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Key Issues:

The Airport has received a request from Avionics Installation, Inc. to enter into a FBO Agreement to perform avionics and instrument sales, service and installation.

Proposed Committee Motion:

I move to recommend to City Council approval of AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Background:

Avionics Installations, Inc has been in business since 1991 providing avionics and instrument sales, service and installation in Port Orange, Florida to a wide variety of aircraft including General Aviation, Business Aviation, Light Sport, and Warbird, as well as Part 121, part 135 and part 141 aircraft. The operator of Avionics Installation Inc. is wanting to expand his business to include a second location in the midwest. Avionics Installation Inc. would like to begin operations with the rental of 625 square of space in Hangar 1 for the first year with interest in expanding the rental of space to 2,500 square in their second year of operations.

Impact/Analysis:

The Airport actively markets for aviation service providers. The addition of an Avionics facility at the Lee's Summit Municipal Airport provides service not only to the based tenants but draws transient business to the airport that would not normally have a reason to come to our airport. This can result in additional fuel sales and new based tenants.

Presenter: John Ohrazda, Airport Manager

Recommendation: STAFF RECOMMENDS APPROVAL OF AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Committee Recommendation:

BILL NO. 16-

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

WHEREAS, the City of Lee's Summit owns and operates the Lee's Summit Municipal Airport (hereinafter "Airport") which includes the ownership of a number of Offices located on the property; and,

WHEREAS, the Airport, through the City Council, periodically enters into agreements for the facilities located on the property for various aviation business purposes; and,

WHEREAS, Avionics Installations, Inc. has requested permission to perform avionics and instrument sales, service and installation operations as a Fixed Base Operator (FBO) at the Lee's Summit Municipal Airport: and

WHEREAS, Avionics Installations, Inc. and the Airport have negotiated the terms and conditions of a Fixed Base Operator Agreement which provides for the operations as an FBO; and,

WHEREAS, City and Avionics Installations, Inc. wish to enter into the Fixed Base Operator Agreement.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Fixed Base Operator Agreement by and between the City of Lee's Summit, Missouri and Avionics Installations, Inc. for the purpose of the operation of a Fixed Based Operator Agreement (FBO), a true and accurate copy being attached hereto as Exhibit "A" and incorporated herein by reference, be and the same is hereby approved. The City Manager is hereby authorized to execute the same by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 3. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

PASSED by the City Council of the City of Lee's Summit, Missouri, this ____ day of _____, 2018.

Mayor Randall L. Rhoads

BILL NO. 16-

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED by the Mayor of said city this ____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED AS TO FORM:

Nancy K. Yendes
Chief Counsel of Infrastructure and Planning

**FIXED BASE OPERATOR AGREEMENT
2018**

Avionics Installations, Inc.

And

The City of Lee's Summit, Missouri

FIXED BASE OPERATOR AGREEMENT

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FIXED BASE OPERATOR AGREEMENT

THIS LEASE AGREEMENT is made this ____ of _____, **2018**, between the City of Lee's Summit, Missouri, hereinafter called "City," and ***Avionics Installations, Inc.***, a corporation incorporated and existing under the laws of the State of Missouri and authorized to do business in the State of Missouri, hereinafter called "Operator".

WITNESSETH

WHEREAS, City operates the Lee's Summit Municipal Airport, hereafter called "Airport," located in the City of Lee's Summit, Jackson County, Missouri; has the right, title and interest in and to the real property comprising the Airport; and has full power and authority to enter into this Agreement;

WHEREAS, the Operator is desirous to rent 645 square feet of hangar space in Hangar 1 for the operation of an avionics repair station as a Fixed Based Operation located at the Airport; and

WHEREAS, Operator agrees to comply with the Minimum Standard Requirements for Airport Aeronautical Services adopted by the City for fixed based operators and requirements for specific businesses engaged in which includes flight school and aircraft rental business at the Lee's Summit Municipal Airport and the Lee's Summit Municipal Airport Rules and Regulations, and as may be amended from time to time, which are hereby incorporated by reference as if fully set forth herein, for so long as this Agreement is in effect.

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, City leases to Operator and Operator leases from City the following described premises and rights, subject to the following:

SECTION 1. LEASED PREMISES

Subsection 1.01 Description of Leased Premises

- A. The only "Leased Premises", in this Agreement is one located at the Lee's Summit Municipal Airport, 2525 NE Douglas; Hangar 1 Lee's Summit, Missouri, 64064 for a period of **one (1)** years from and after the date of this Agreement.
- B. A total of 645 (six hundred forty-five) square feet of Hangar space for the storage of aircraft involved in the installation, sales, or service of avionics operations.
- C. One aircraft space in Hangar 1 will be allocated for the storage of aircraft for the sole purpose of avionics repair and service operations at a rate of \$500.00 per month.
- D. The above referenced facilities are included as part of the Leased Premises in their present condition, and any improvements, together with the easements and rights thereto or as

may be hereafter separately granted to effectuate the purposes of this lease, including the right of ingress thereto and egress therefrom.

C. The Operator may also use up to two (2) paved tie-downs, on an as needed basis and when available, to be used only for those aircraft that are owned, operated or under the control of the Operator. Such tie-down spaces are not specific as to location and are not for exclusive use by the Operator.

D. Upon request from the Operator and approval by the Airport Manager, the Operator may lease additional aircraft tie-downs or additional aircraft storage hangars on a daily or monthly basis for those aircraft that are owned, operated, or under the control of the Operator. Such additional tie-downs or hangars will be leased subject to the terms of this Agreement.

E. The parties agree that the Operator may, upon approval by the Airport Manager, substitute the above referenced office space, open or enclosed aircraft storage hangars for other such rental spaces. At such time the Operator wishes to rent office space, open or enclosed aircraft storage hangars, the rates will be based on the City's current schedule of fees. The City Manager is hereby authorized to execute any such addendum to this Agreement relating to the rental of office space or the addition of hangars. Any additional or substituted hangars will be subject to the terms of this Agreement, and the rental rate shall be the hangars current retail rate (the "Posted Rate").

SECTION 2. PURPOSE OF AGREEMENT

Subsection 2.01. Use of Leased Premises.

A. Purpose of Agreement: The purpose of this Agreement is to establish an agreement for the operation of an ***avionics and instrument sales, service and installation*** as a Fixed Base Operator (FBO) at the Lee's Summit Municipal Airport. In addition to other limitations and restrictions contained in this Agreement, the Operator agrees to the following limitations on the permitted uses of the Leased Premises:

B. Conditions of Granting Fixed Base Operator Status: Granting Operator the status of Fixed Based Operator is conditioned upon the following covenants:

- (1) That the right to use the public airport facilities as well as all of Operator's rights as a fixed Base Operator shall be exercised subject to and in accordance with the laws of the United States of America including regulations promulgated by the Federal Aviation Administration (FAA), the State of Missouri, and the City of Lee's Summit, now in force or afterwards ordained or promulgated including environmental legislation and regulations.

- (2) That Operator shall obtain a business license from the City prior to commencement of its Aeronautical Services.
- (3) That Operator shall provide the City with appropriate certificates of insurance in accordance with Subsection 8.02 and all relevant FAA certificates for types of services provided.
- (4) That the Operator shall comply with the Minimum Standard Requirements for Commercial Airport Aeronautical Service Providers (“Requirements”) as adopted and revised by the City. The Operator understands that this requirement is ongoing and continuing in nature, and that the Requirements are subject to future modification.
- (5) That the Operator shall comply with Lee’s Summit Municipal Airport Rules and Regulations.

C. Aeronautical Services. Upon execution of this agreement and completion of all requirements herein, the Operator is authorized to undertake and provide the following proposed Aeronautical Services: ***avionics and instrument sales, service and installation***. The rights granted by this agreement will be exercised in such a way as to not interfere with or adversely affect the use, operation, maintenance or development of the Airport.

Subsection 2.02. No Exclusive Right. It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

Subsection 2.03. Prohibited Activities. The following activities are expressly prohibited:

- A. Operator agrees not to use any Leased Premises or permit the use thereof in such manner as to make void or increase the rate of insurance thereon.
- C. The Operator is prohibited from selling or dispensing aircraft fuels. Any violation by the Operator of this subsection shall constitute a material breach of this Agreement, and shall constitute cause for immediate termination of the Agreement and repossession of the Leased Premises by the City.

SECTION 3. TERM

Subsection 3.01. Term. The Initial Term of this Agreement is one (1) years, commencing on the _____, 2018, and terminating _____, 2019. This agreement may be

extended for one additional one year term upon the giving of sixty (60) days' notice by the Operator of its intent to so renew.

Subsection 3.02 Holdover. In the event Operator rents office space during the term of the agreement and continues to occupy the Leased Premises beyond the initial Agreement term, or any extension thereof, without the City's written consent thereto, such holding over shall not constitute a renewal or extension of this Agreement but shall create a tenancy from month to month which may be terminated at any time by either party giving thirty (30) days written notice to the other party. The Operator shall perform and maintain its obligations under this Agreement during any holdover period, including the payment of rent in accordance with Subsection 4.01 of this Agreement.

SECTION 4. RENTALS, FEES AND RECORDS

Subsection 4.01 Rentals for Leased Premises.

The rental rate for 625 square feet of space in Hangar 1 is seventy-five cents a square foot for a monthly rental rate of (\$468.75) per month.

A. Rental fees shall be adjusted following the Initial Term of this Agreement, and then after every Renewal Term thereafter, with each such adjustment to become effective upon commencement of the subsequent term. The rental rates shall be adjusted by the total change in the Consumer Price Index for All Urban Consumers, (CPI-U) all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 equals 100) or a successor index appropriately adjusted. This shall be measured by finding the difference between the CPI-U figure for the month immediately prior to the commencement date of the Agreement or of the previous two year measuring period, and the CPI-U index figure for the same month immediately prior to the commencement of the next measuring period, as described in the example below.

2. The percent increase in the Consumer Price Index during the measuring period shall be multiplied by the annual square footage rental rate to determine the annual rent to be paid for the next two year Renewal Term. The annual rent increases shall be cumulative. For example:

FORMULA	EXAMPLE
NEW CPI (9/99)	156.91
- OLD CPI (9/94)	149.44
CPI CHANGE+	7.47
CHANGE IN CPI = % CPI	7.47 = (5.00%)
OLD CPI	149.44

$$\begin{aligned} (\% \text{ CPI} + 1) \times \text{CURRENT RATE} &= (0.05 + 1) \times \$0.25 = \$0.26 \\ \text{NEW RATE} & \end{aligned}$$

3. Notwithstanding the adjustment calculation methodology stated above, at no time during the term of this Agreement, including any renewals thereof, will the annual square feet rental rate decrease. In the event the adjustment calculation methodology described above would result in a decrease in the annual rental rate, the Operator shall, for that measuring period under the said Renewal Term, pay an annual rental rate in the same amount as that assessed for the Renewal Term or measuring period immediately prior to the period or renewal term involving the calculated or appraised decrease. In the event that the City causes a decrease in the total square feet of the Leased Premises, the total rental amount would decrease proportionately.

Subsection 4.03. Delinquent Payments. The Operator agrees to pay all invoices within ten (10) days after receipt. The City may establish an interest charge computed as simple interest, to be collected on the principal of all sums due and unpaid for more than ten (10) days, but such interest when assessed thereafter, shall be computed from the 11th day after invoice date. The City reserves the right to refuse to provide services, including fuel, or require payment in advance for any fuel or services at any time Operator is thirty (30) days or more delinquent on any payment. Upon payment of any delinquent amounts, the decision to provide services on an advance payment or invoice basis is at the sole discretion of the Airport Manager. In the event that collection activities, including litigation, are used in order to recover past due amounts owed, the City shall be entitled to recover its collections costs, including its reasonable attorney's fees.

Subsection 4.04 Fees for Ramp Tie-Downs and Other Services. Open ramp aircraft tie-downs shall be charged at a rate of fifty percent (50%) of the retail rate (the "Posted Rate") for aircraft involved in ***avionics and instrument sales, service and installation***. The charge for towing services shall be at the Posted Rate. Any special services not available or required by other airport patrons will have rates determined on a case by case basis.

Subsection 4.05. Books and Records of Operator. There are no books and records requirements under this Agreement.

Subsection 4.06. Audit. There are no audit requirements under this Agreement.

SECTION 5. OBLIGATIONS OF OPERATOR

Subsection 5.01. Operations by Operator: Operator agrees:

- A. To promote aviation activity on the Airport and to conduct operations on the Leased Premises in a proper, efficient and courteous manner.
- B. That all services shall be furnished on a fair, equal and nondiscriminatory basis to all users, and that only fair, reasonable and nondiscriminatory prices for each unit of sale or service will be charged. Operator may, however, make reasonable and nondiscriminatory discounts, rebates or other similar price reductions to volume purchasers.
- C. To furnish those Aeronautical Services listed heretofore and to receive written approval from the Airport Manager of all Operator's operations, signs, etc. thirty (30) days before start-up of any additional Aeronautical Services or cessation of any or all approved Aeronautical Services.
- D. To supply the Airport Manager with a list of its employees or associated personnel names, job titles and duties, and their emergency telephone numbers and addresses. The Airport may request background or other checks on such employees.
- E. To not execute an agreement with any subcontractor to perform the Operator's Aeronautical Services without written approval of the City and to insert in all subcontracts a provision requiring the subcontractors to comply with applicable provisions of this agreement and further provide in each subcontract a statement "that nothing contained in these conditions shall create any contractual relationship between the subcontractor and the City."
- F. To provide the City with a list by "N" number and type of all aircraft owned or operated by Operator and to provide a written revision of said list within seven (7) days of any aircraft changes.
- G. To follow the procedures of the National Fire Protection Association when draining residual fuel from aircraft tanks incidental to aircraft fuel system maintenance, testing, manufacturing, salvage, or recovery operations
- H. To store any paints, cleaners or other flammable liquids in an approved storage locker.
- I. If any are applicable, follow all Homeland Security requirements and Transportation Security Administration recommendations, as amended, as they pertain to ***avionics and instrument sales, service and installation***.

Subsection 5.02 Nondiscrimination. Operator, for itself, it's personal representatives,

successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (A) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises; (B) that in the construction of any improvements on, over, or under such land and the furnishing of services thereof no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (C) that Operator shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and any other relevant law, regulation or standard in effect now or adopted in the future, and as said Regulations may be amended, to the extent that said requirements are applicable, as a matter of law, to Operator.

Subsection 5.03. Fair Service. The Operator agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that the Operator may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Subsection 5.04. Observance of Statutes, etc. The granting of this Agreement and its acceptance by Operator is conditioned upon the right to use the Airport facilities in common with others authorized to do so. The Operator shall observe and comply with any and all requirements of the constituted public authorities and with all Federal, State or Local statutes, ordinances, regulations and standards applicable to Operator for its use of the leased premises, including but not limited to, rules and regulations promulgated from time to time by the City for the administration of the Airport. The Operator shall also defend, reimburse, indemnify and hold harmless the City, its agents, employees and elected officials, including costs of defense, from any claims, demands, penalties or liability which may accrue to it because of any alleged violation or noncompliance with any such statute, ordinance, rule or standard by the Operator or resulting from Operator's activities hereunder.

SECTION 6. OBLIGATIONS OF THE CITY

Subsection 6.01. Operation as a Public Airport. The City reserves the right to discontinue use of the Airport as an airport. The City covenants and agrees that as long as the City continues to use the Airport as an airport it will operate and maintain the Airport consistent with and pursuant to the Sponsor's Assurances given by the City to the United States Government under the Federal Aviation Act, subject to the City's Reservations set forth in this Agreement.

SECTION 7. CITY'S RESERVATIONS

Subsection 7.01. Free and Unrestricted Flight. There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises herein leased, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or thereafter used for navigation of or flight in the air using said airspace or landing, taking off from, or operating on or about the Airport.

Subsection 7.02. Subordination to U.S. and Missouri State Government. This Agreement shall be subordinate to the provisions of any existing or future agreements between City and the United States or any agency thereof, and between the City and the State of Missouri or any agency thereof, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the City for Federal or State funds for the development of the Airport.

Subsection 7.03 Improvements, Relocation, or Removal of Structures. The City, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport (including, without limitation, the Leased Premises), including the right to remove or relocate any structure on the Airport as it sees fit, and to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent the Operator from erecting or permitting to be erected, any buildings or other structures on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft. The City further reserves the right to take any of the aforementioned actions regardless of the desire or views of the Operator, without interference or hindrance by the Operator and without obligation to abate rent or otherwise provide relief or be liable to the Operator for any harm or inconvenience from disruption of Airport operations resulting from such actions.

Subsection 7.04. Inspection of Leased Premises. The City, through its duly authorized agent, shall have at any reasonable time, the full and unrestricted right to enter any Leased Premises for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement.

Subsection 7.05. War or National Emergency. During the time of war or national emergency, the City shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the lease to the Government shall be suspended.

SECTION 8. INDEMNITY AND INSURANCE

Subsection 8.01. Indemnification. Operator agrees to protect, defend, indemnify, and hold the City of Lee's Summit, and its officers employees, elected officials in their official and personal capacities, and attorneys, completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines, or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Agreement or the use or occupancy of the Leased Premises, or the acts or omissions of Operator's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused solely by the negligence or willful misconduct of the City, or its officers and employees. This duty shall also extend to claims of damages to the environment caused by Operator, including but not limited to the investigation, field study, and cleanup costs assessed by any federal, state or local agency against the City of Lee's Summit or any of its agents or employees, as well as any civil fine or penalty. The City shall give to the Operator reasonable notice of any such claims or actions. The provisions of this Section shall survive the expiration or early termination of this Agreement. The duties of the Operator specified herein shall not be limited by the amount of any insurance coverage required to be provided by the Operator herein, but shall extend to the full amount of any such claim or liability. This duty shall also not be limited by the provision of any workers' compensation coverage. In no event shall any provision of this Section, Section 8.02 or this agreement be construed as a waiver of sovereign or any other immunity or defense that the City, its officers, employees or elected officials may have or be able to assert against any claim or in any action.

Subsection 8.02 Insurance Requirements. Operator shall, at its expense, procure and keep in force at all times during the term of this Agreement, from a financially sound and reputable company acceptable to the City, all types of insurance required pursuant to the City's Minimum Standards for Commercial Aeronautical Service Providers, Appendix 1, *Minimum Insurance Policy Requirements*, as currently revised, in amounts at least equal to the minimum amounts specified therein, unless specified otherwise in this sub-section, insuring Operator for bodily injury and property damage, and such other insurance necessary to protect the Operator from all such claims and actions described in the preceding section 8.01. Operator recognizes that the required amounts of coverage set forth are the minimum limits, and may not reflect the Operator's actual risk. Operator shall furnish the City with a certificate of insurance as evidence of coverage whenever requested. Said insurance policies shall not be canceled or materially modified or non-renewed except upon thirty (30) days advance written notice to the City and such requirement for notice shall appear on the face of the certificate of insurance. Coverage is to be written on the broadest liability form which is customarily available at reasonable cost. Operator further agrees to name the City as an additional insured on all applicable policies, with the exception of the policy endorsement covering hired and non-owned automobiles, and workers compensation. Operator further agrees to increase its insurance coverage, if necessary, to ensure coverage for all approved Aeronautical Services and if Operator adds any Aeronautical Services not identified in Subsection 2.01(C).

Subsection 8.03 Insurance Notification. Operator shall keep on file with the Airport Manager a copy of a current certificate of insurance evidencing that Operator has procured all required insurance coverage and that said insurance coverage will not be canceled without thirty (30) day advance written notice to the City. This agreement will not be executed, renewed or extended by the City until such proof of coverage has been received, reviewed and accepted by the City.

SECTION 9. TERMINATION OF AGREEMENT BY OPERATOR

Subsection 9.01. Termination. Unless renewed by the Operator as described in Subsection 3.01, this Agreement shall terminate at the end of the term, or at such time as written notice of termination is provided by either party as provided in Subsection 9.02 or Subsection 10.02.

Subsection 9.02. Termination by Operator. Operator, in addition to any other rights it has under the law, may terminate this Agreement and terminate its obligations hereunder (excluding such obligations that survive the expiration or termination of this Agreement) at any time that Operator is not in default in the payment of rentals and/or fees to the City by giving the City sixty (60) days advance written notice to be served as hereinafter upon or after the happening of any one of the following events:

- A. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, so as to substantially affect Operator's use of the system at the Airport, and the remaining in force of such injunction for a period of at least sixty (60) days; provided, however, that such injunction is not due to Operator's operation at the Airport.
- B. The default by the City in the performance of any covenant or agreement herein required to be performed by the City, and the failure of the City to undertake and be continuing to remedy such default for a period of sixty (60) days after receipt from Operator of written notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if the City shall have remedied the default prior to receipt of Operator's notice of termination.
- C. The assumption by the United States Government or any authorized agency thereof of the operation, control, or use of the Airport and facilities or any substantial part or parts thereof, in a manner as substantially to restrict Operator for a period of at least sixty (60) days from full use of its leased premises, and in that event, a just and proportionate part of the rent hereunder shall be abated.

SECTION 10. TERMINATION OF AGREEMENT BY CITY

Subsection 10.01. Termination by the City. The City, in addition to any other rights to which it may be entitled by law, may declare this Agreement terminated in its entirety as provided in Subsection 10.02 upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Leased Premises. These events are as follows:

- A. The completion of the initial or any subsequent term without written notice of Operator's intention to enter into a subsequent term extension.
- B. The failure to pay all installments of fees then due (with interest) within thirty (30) days after receipt by Operator of written notice from the City to pay such rent.
- C. The filing by Operator of a voluntary petition in bankruptcy or the making of any assignment of all or any part of Operator's assets for benefit of creditors.
- D. The filing of an involuntary bankruptcy petition against the Operator as a bankrupt pursuant to any involuntary bankruptcy proceedings.
- E. The taking of jurisdiction by a court of competent jurisdiction of Operator or its assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- F. The appointment of a receiver or a trustee of Operator's assets by a court of competent jurisdiction or a voluntary agreement with Operator's creditors.
- G. The breach by Operator of any of the covenants or agreements herein contained, and the failure of Operator to remedy such breach within 30 days after receipt of written notice of such breach from the City.
- H. The abandonment of the Leased Premises.
- I. The breach of any one of the covenants contained in Subsection 2.03.C. in which case the provisions of Subsection 10.02 concerning notice to the Operator of the breach and time to cure said breach shall not apply.
- J. The Operator, its principles, directors, owners or agents, transfers, sells or otherwise conveys an ownership interest in the Operator greater than 50%.
- K. The City's discontinuation of use of the Airport as an airport.

Subsection 10.02. Termination Notice. In the event the City exercises its option to cancel this Agreement upon the happenings of any or all of the events set forth in this Section, a notice of cancellation shall be sufficient to cancel this Agreement; and, upon such cancellation,

Operator hereby agrees that it will forthwith cease all FBO services defined and approved herein. The City shall provide written notice of its intent to terminate the Agreement to the Operator a minimum of sixty (60) days prior to the date of termination, except for termination as described in Subsection 10.01(I). Failure of the City to declare this Agreement terminated for any of the reasons set out shall not operate to bar, destroy, or waive the right of the City to cancel this Agreement by reason of any subsequent violation of the terms hereof.

SECTION 11. ASSIGNMENT AND SUBLETTING

Subsection 11.01. Assignment. Operator shall not assign this Agreement or any part thereof in any manner whatsoever or assign any of the privileges recited herein without the prior written consent of the City. In the event of such assignment, Operator shall remain liable to the City for the remainder of the term of the Agreement to pay to the City any portion of the rentals or fees provided for herein upon failure of the assignee to pay the same when due. Said assignee shall not assign said Agreement except with the prior written approval of the City and the Operator herein, and any assignment by the Operator shall contain a clause to this effect. The City shall not unreasonably withhold its consent to any assignment, transfer or delegation by the Operator of its privileges and obligations under this Agreement to any successor, parent organization, wholly owned subsidiary or affiliate of the Operator.

Subsection 11.02 Subletting. The Operator shall not have the right to sublease all or part of the Leased Premises subject to the following conditions:

- A. No sublease or rental for the performance of FBO or Special Aviation Services Operator (SASO) services, the engagement of any aviation-related commercial activity upon the Leased Premises, or for any aviation-related commercial purposes shall be valid unless the sublessee has executed a separate Fixed Based Operator Agreement with the City; and
- B. No sublease or rental for the performance of non-aviation-related services or operations on the Leased Premises shall be valid unless the sublessee has executed a General Services Provider Agreement with the City.

SECTION 12. GENERAL PROVISIONS

Subsection 12.01. The City shall maintain and keep in repair the Airport landing areas, including taxiways and aircraft parking apron and shall have the right to direct and control all activities of the Operator in this regard.

Subsection 12.02. Attorney's Fees. In any action brought by either party for the enforcement or the construction of the terms of this Agreement, the City, if it is a prevailing party in the action, shall be entitled to recover interest and its reasonable attorney's fees and litigation expenses, including, but not limited to, expert witness fees and expenses.

Subsection 12.03. Taxes. Operator shall pay any personal property taxes and other taxes which may be assessed against equipment, merchandise, or other personal property belonging to Operator located on the Leased Premises, or other permitted portions of the Airport, or upon Operator's activities thereupon.

Subsection 12.05. License Fees and Permits. Operator shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under Federal, State or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

Subsection 12.06. Non-Exclusive Rights. It is hereby specifically understood and agreed between the parties that nothing contained hereby shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended; and the City reserves the right to grant to others the privilege and right of conducting any one or all of the Aeronautical Services listed herein or any other activity of an aeronautical nature.

Subsection 12.07. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of the Agreement.

Subsection 12.08. Applicable Law; Venue. This Agreement shall be interpreted in accordance with the laws of the State of Missouri. Should any part of this Agreement be adjudicated, jurisdiction and venue shall be proper only in the Circuit Court of Jackson County, Missouri.

Subsection 12.09. Non-Waiver. No waiver of any condition or covenant contained in this Agreement or of any breach thereof shall be taken to constitute a waiver of any subsequent condition, covenant or breach.

Subsection 12.10. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

Subsection 12.11. Binding Effect. This Agreement, including all of its covenants, terms, provisions, and conditions, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

Subsection 12.12. No Partnership. Nothing contained in this Agreement shall be deemed to create the relationship of principal and agent or of partnership or joint venture or any

relationship between the City and Operator other than the relationship of the City and Operator.

Subsection 12.13. Duty to be Reasonable. Wherever in this Agreement the City is to give its consent, approval or otherwise exercise discretion in judgment, such consent, approval or judgment shall not be unreasonably exercised or unreasonably withheld.

Subsection 12.14. City Agent. Unless specifically stated herein, the City Manager, or his designee, shall be considered the agent and representative of the City with respect to all notices, approvals and matters contained hereunder, and his authority to act for and on behalf of the City in connection with all matters occurring under this Agreement shall not be questioned by the Operator.

Subsection 12.15. Non-Liability of Individuals. No director, officer, agent, elected official or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same. This Subsection 12.15 shall have no application to any independent guaranty or other assumption of the obligations of Operator which may be obtained by the City relative to this Agreement. This Subsection 12.15 shall also not apply to the Operator if the Operator is an entity other than a corporation in good standing and authorized to conduct business in the state of Missouri.

Subsection 12.16. Personal Property. Operator shall maintain the Leased Premises in a clean and orderly condition. Upon termination of this Agreement, Operator shall remove all personal property from the Leased Premises within thirty (30) days after said termination, unless otherwise agreed to, in writing, by the parties, and restore the leased premises to its original condition. If the Operator fails to remove said personal property within the aforementioned time frame, the City may take immediate possession of any property remaining on the Leased Premises and shall, at the City's sole option, become the property of the City or same may be removed and/or disposed of in any manner deemed appropriate by the City. The City shall not be liable in any manner for such removal and/or disposal; and the cost and expense of such removal and/or disposition shall be paid by the Operator.

Subsection 12.17. Casualty. If either part of the Leased Premises is damaged by fire or other insured casualty, the rent payable hereunder for such damaged premises shall not abate provided that the damaged premises are not rendered untenable by such damage. If the damaged premises are rendered untenable and the City elects to repair the damaged premises, the rent shall abate for the period during which such repairs are being made, provided the damages were not caused by the acts or omissions of the Operator, its employees, agents or invitees, in which case the rent shall not abate. If the damaged premises are rendered untenable and the City elects not to repair the damaged premises, this Agreement shall terminate upon written notice from the City. If this Agreement is terminated by reason of fire or other insured casualty as

herein provided, rent shall be apportioned and paid to the day of such fire or other insured casualty. Notwithstanding the forgoing, termination of the Agreement under this subsection shall not preclude the negotiation of a new agreement for alternate premises.

Subsection 12.18. Maintenance. City will keep the exterior of the Leased Premises in repair, provided that Operator shall give City written notice of the necessity for such repairs, and provided that the damage thereto shall not have been caused by the carelessness or negligence of Operator, its agents, employees, or servants, in which event Operator shall be responsible therefore. Operator will keep the interior of the Leased Premises in good repair and will surrender the Leased Premises at the expiration of the term or at such other time as it may vacate the Leased Premises in as good condition as when received, excepting depreciation caused by ordinary wear and tear.

Subsection 12.19 Utilities. Rental of any Office Premises by the Operator shall include a monthly fee of twenty-five dollars (\$25.00) for the use of various City provided services, including water, sewer, electricity, and trash. This fee may be increased at the City's discretion and any such increase shall become effective upon 30 days written notice to Operator.

Subsection 12.20. Notices. Whenever any notice is required by this Agreement to be made, given or transmitted to the City, it shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, first class, addressed to:

Airport Manager
Lee's Summit Municipal Airport
2751 NE Douglas
Lee's Summit, Missouri 64064

with a copy to the City Attorney, City of Lee's Summit, 220 SE Green St., Lee's Summit, MO 64063.

Notices to Operator shall be addressed to:

Avionics Installations, Inc.
212 Cessna Blvd. Hangar 5
Port Orange, Florida 32128

Attn. ***Pahan Ranasingha***

or such place as either party shall designate by written notice to the other. Said notices may also be personally hand delivered by each party to the other, at the respective addresses listed above, or in the case of delivery by the City to the Operator, by posting said item conspicuously

on the leased premises. If hand delivered, the date of actual completion of delivery shall be considered the date of receipt. If mailed, or posted on the leased premises, the item shall be considered received the third day after the date of posting.

Subsection 12.21. Prohibition against Interference. It is understood and agreed that the rights granted by this Agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the Airport.

Subsection 12.22. Amendment of Agreement. This Agreement may not be amended or changed without the mutual written consent of both parties.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above mentioned at Lee's Summit, Missouri.

Remainder of this page left intentionally blank.

CITY OF LEE'S SUMMIT,

Stephen Arbo,
City Manager

Attest:

City Clerk

Approved as to form:

Office of the City Attorney

OPERATOR: [insert legal entity name]

Signature: _____

Title: _____

Attest:

Remainder of this page left intentionally blank.

CITY OF LEE'S SUMMIT

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this _____ day of _____, 2018, before me _____, a Notary Public in and for said state, personally appeared Steve Arbo, City Manager of the City of Lee's Summit, Missouri, known to me to be the person who executed the within Agreement and acknowledged to me that he executed the Agreement for the purposes therein stated and as the free act and deed of the City of Lee's Summit, a municipal corporation.

WITNESS my hand and official seal in the County and State aforesaid, the day and year first above written.

/s/ _____
Notary Public Signature

Printed or Typed Name

My Commission Expires: _____

operator's full legal name

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this _____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, the _____ of [operator's full legal name] who is personally known to me to be the same person who executed the within instrument on behalf of _____ [operator's full legal name], and such person duly acknowledged the execution of the same to be the free act and deed of [operator's full legal name].

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

/s/ _____
Notary Public Signature

Printed or Typed Name

My Commission Expires: _____



The City of Lee's Summit
Final Agenda
Board of Aeronautic Commissioners

Tuesday, January 23, 2018

7:00 PM

*** Amended *** City Council Committee Room

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1 CALL TO ORDER

2 ROLL CALL

3 APPROVAL OF AGENDA

4 APPROVAL OF ACTION LETTER

A. [2017-1676](#) Action Letter dated October 9, 2017.

5 PUBLIC COMMENTS

6 BUSINESS

A. [2018-1792](#) PRESENTATION REGARDING THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Presenter:

Presenter: Bob Hartnett, Deputy Director of Public Works

B. [TMP-0782](#) AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Presenter:

Presenter: John Ohrazda, Airport Manager

7 ROUNDTABLE

8 ADJOURNMENT

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Internet site at "www.cityofls.net".



The City of Lee's Summit
Final Agenda
Board of Aeronautic Commissioners

Tuesday, January 23, 2018

7:00 PM

*** Amended *** City Council Committee Room

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1 CALL TO ORDER

2 ROLL CALL

3 APPROVAL OF AGENDA

4 APPROVAL OF ACTION LETTER

A. [2017-1676](#) Action Letter dated October 9, 2017.

5 PUBLIC COMMENTS

6 BUSINESS

A. [2018-1792](#) PRESENTATION REGARDING THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Presenter:

Presenter: Bob Hartnett, Deputy Director of Public Works

B. [TMP-0782](#) AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Presenter:

Presenter: John Ohrazda, Airport Manager

7 ROUNDTABLE

8 ADJOURNMENT

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