

Legislation Text

File #: BILL NO. 16-234, **Version:** 1

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN REAL ESTATE CONTRACT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND DE JARNETTE ENTERPRISES, INC., GRANTING THE PURCHASE OF A BUILDING, FIXTURES AND OTHER PERMANENT IMPROVEMENTS AND PERSONAL PROPERTY LOCATED AT 2525 NE DOUGLAS IN THE AMOUNT OF \$1,500,000 FOR THE PURPOSE OF OPERATING AN AERONAUTICAL SERVICES CENTER ENGAGED IN THE STORAGE OF AIRCRAFT, ELECTRONIC TESTING SITE, AND RENTAL SPACE FOR OFFICES AND AVIATION OPERATIONS. (BOAC 10-31-16)

Issue/Request:

Purchase the Air Charter facility which is under receivership of the Stanley Bank .

Key Issues:

- The Air Charter facility is under receivership of Stanley Bank.*
- On September 2, 2016, City staff received an offer letter to purchase the Air Charter facility for \$1.5M.
- The facility would create a strong opportunity to improve the long-term viability of the Lee's Summit Municipal Airport (LXT).
- Allows the airport to operate a facility capable enough to accommodate up to 10-13 additional based customers, and provide space for overnight transient corporate aircraft.
- With runway improvements the demand for hangar storage facilities for aircraft larger than facilities available will be needed.
- The facility is capable of action as a segue for uninterrupted service during runway and taxiway improvements.
- The facility could delay the immediate need for the design and construction of a new terminal building on the East side of the Airport.

FIRST MOTION: I move for a second reading of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN REAL ESTATE CONTRACT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND DE JARNETTE ENTERPRISES, INC., GRANTING THE PURCHASE OF A BUILDING, FIXTURES AND OTHER PERMANENT IMPROVEMENTS AND PERSONAL PROPERTY LOCATED AT 2525 NE DOUGLAS IN THE AMOUNT OF \$1,500,000 FOR THE PURPOSE OF OPERATING AN AERONAUTICAL SERVICES CENTER

ENGAGED IN THE STORAGE OF AIRCRAFT, ELECTRONIC TESTING SITE, AND RENTAL SPACE FOR OFFICES AND AVIATION OPERATIONS.

SECOND MOTION: I move for adoption of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN REAL ESTATE CONTRACT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND DE JARNETTE ENTERPRISES, INC., GRANTING THE PURCHASE OF A BUILDING, FIXTURES AND OTHER PERMANENT IMPROVEMENTS AND PERSONAL PROPERTY LOCATED AT 2525 NE DOUGLAS IN THE AMOUNT OF \$1,500,000 FOR THE PURPOSE OF OPERATING AN AERONAUTICAL SERVICES CENTER ENGAGED IN THE STORAGE OF AIRCRAFT, ELECTRONIC TESTING SITE, AND RENTAL SPACE FOR OFFICES AND AVIATION OPERATIONS.

Background:

This facility is a 200 foot by 200 foot building constructed in 2002. The Owner/Operator has had this facility on the market for the last eight-years. Current activity at the Airport and coming improvements creates the need for a facility that will house aircraft larger than any hangar facilities the City currently has available for the business aircraft users that wish to base at LXT, and those transient aircraft currently using the Airport now or in the future.

Impact/Analysis:

Increase services offered to transient customers who want the availability of hangar storage space during inclement weather and those who require their aircraft to be housed during any overnight stay. Would result in additional revenue from storage fees, fuel sales and other services being offered. The facility would provide additional aircraft rental space for; based aircraft, aviation service providers, offices, and electronic testing site.

Timeline:

Start: December 1, 2016

Finish: December 31, 2016

Other Information/Unique Characteristics:

This facility has been under utilized for the last eight years. With the facility being for sale, the operator has had no incentive to maximize the utilization of the space available. Since the City is currently the only fuel concessionaire on the Airport and will probably be for the coming years, this facility would be better utilized through City operations that would be marketing and promoting the availability of the facilities.

Presenter: Bob Hartnett, Deputy Director of Public Works

Recommendation: Staff recommends approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN REAL ESTATE CONTRACT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI,

AND DE JARNETTE ENTRERPIRSES, INC., GRANTING THE PURCHASE OF A BUILDING, FIXTURES AND OTHER PERMANENT IMPROVEMENTS AND PERSONAL PROPERTY LOCATED AT 2525 NE DOUGLAS IN THE AMOUNT OF \$1,500,000 FOR THE PURPOSE OF OPERATING AN AERONAUTICAL SERVICES CENTER ENGAGED IN THE STORAGE OF AIRCRAFT, ELECTRONIC TESTING SITE, AND RENTAL SPACE FOR OFFICES AND AVIATION OPERATIONS.