

## Legislation Text

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**File #:** BILL NO. 16-104, **Version:** 1

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AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.

Issue/Request:

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.

Key Issues:

The Airport has received a request for permission to establish an aircraft maintenance facility in Hangar P from MJ Aviation Innovations, LLC. The Hangar meets city codes and requirements to perform this type of work. Rental would initially be 40% of the entire hangar, with plans for MJ Aviation Innovations, LLC to rent the entire hangar in one year. 60% of the existing space is currently rented for the storage of a Corporate aircraft. Lease is for 1-year with possible renewals of two years each. MJ Aviation Innovations, LLC expects to hire two more employees and need the entire Hangar P within twelve months. The initial rental rate for Hangar P will be \$738.00 per month, for an annual revenue total of \$8,856.00.

Proposed City Council Motion:

I MOVE TO RECOMMEND TO THE CITY COUNCIL APPROVAL OF AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.

Background:

M J Aviation Innovations, LLC's sole owner-operator has been a working as an employee of R&D American Aviation, LLC for the last fourteen years performing aviation maintenance services. The sole owner-operator of M J Aviation Innovations, LLC wishes to start his own aircraft maintenance operation at the Airport. The P Hangar was retro fitted for R&D American Aviation six years ago to provide a facility which met City requirements for aircraft maintenance. Since R&D American Aviation moved from Hangar P to the larger Hangar J to perform their operations, Hangar P has been under utilized. Permitting M J Aviation Innovations, LLC to start an operation in Hangar P will better utilize this facility and provide airport customers a choice of where their aircraft can be maintained.

Impact/Analysis:

M J Aviation Innovations, LLC will be able to perform aircraft maintenance on more aircraft at a time in a larger facility which is currently empty and being used for overnight storage of transient aircraft. The rental of the 40% of the space in the Hangar P will allow the operator to begin with limited space and provide the ability to rent more space as they grow. The rental as currently outlined will generate an additional \$8,800 in rent annually.

Presenter: John Ohrazda, Airport Manager

Recommendation:

STAFF RECOMMENDS APPROVAL OF AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.