

Legislation Text

File #: BILL NO. 16-255, **Version:** 1

AN ORDINANCE APPROVING ADDENDUM NO. 1 TO FIXED BASE OPERATOR AGREEMENT BETWEEN LEGACY AVIATION, INC. DBA FLYING KC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY. (PWC 11/21/16)

Issue/Request:

AN ORDINANCE APPROVING ADDENDUM NO. 1 TO FIXED BASE OPERATOR AGREEMENT BETWEEN LEGACY AVIATION, INC. DBA FLYING KC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Key Issues:

The Airport has received a request to amend the FBO Agreement with Legacy Aviation doing business as Flying KC for services providing aircraft flight training, aircraft rental, aircraft management/consulting and aircraft sales to just aircraft flight training and aircraft rental. There are no changes to other contract requirements.

Proposed City Council Motion:

FIRST MOTION: I move for a second reading of AN ORDINANCE APPROVING ADDENDUM NO. 1 TO FIXED BASE OPERATOR AGREEMENT BETWEEN LEGACY AVIATION, INC. DBA FLYING KC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

SECOND MOTION: I move for adoption of AN ORDINANCE APPROVING ADDENDUM NO. 1 TO FIXED BASE OPERATOR AGREEMENT BETWEEN LEGACY AVIATION, INC. DBA FLYING KC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Background:

Legacy Aviation, Incorporated Doing Business As (DBA) "Flying KC" was formed as a business to perform aircraft rental, flight instruction, aircraft broker, and aircraft management company. Their agreement was approved by City Council on September 15th. Since September the Co-Founders of Legacy Aviation have determined it would be in their best interest to requested a change to the agreement to ONLY engage in aircraft rental and flight instruction at this time. Part of this reasoning is the time of year and pending construction in the spring of 2017 that will affect operations. The amendment would address how the other services would be added at a later time during the term of their lease. The operators of Legacy Aviation will still be leasing Suite "C" in the Airport Modular building at the rate stated in the original agreement and will utilize office space "B" for a period of 12 Months at no additional charge. After the first year of operation, Legacy Aviation will renegotiate the terms for additional office space (and perhaps even more offices) based on their growth and demand for more space. The Modular Building has six office units available for rental and currently all six are vacant. At times all six have been rented. The usage of office space "B" for one-year will

allow Legacy Aviation to get their operations established.

Impact/Analysis:

The Airport has been without a flight school operation since the retirement of the owners of Midwest Executive Aircraft, Inc in July 2012. The Airport has actively marketed for a Flight School operator since July 2012. The Air Charter facility did limited flight training. With the closing of this facility on December 1, 2016, the Airport will be without any flight training operations available to the public. Flight School operations not only provide additional revenues for the Airport in the way of fuel sales, but also provide hangar tenants from students or renter's who decide to purchase their own aircraft and need hangar space to store their aircraft.

Presenter: John Ohrazda, Airport Manager

Recommendation: STAFF RECOMMENDS APPROVAL OF AN ORDINANCE APPROVING ADDENDUM NO. 1 TO FIXED BASE OPERATOR AGREEMENT BETWEEN LEGACY AVIATION, INC. DBA FLYING KC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Committee Recommendation: The Public Works Committee voted unanimously 4-0 to recommend to City Council approval of AN ORDINANCE APPROVING ADDENDUM NO. 1 TO FIXED BASE OPERATOR AGREEMENT BETWEEN LEGACY AVIATION, INC. DBA FLYING KC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.