

AVIATION BOARD BACKGROUND LETTER

Aviation Board Meeting Date: September 20, 2021

To: Chair Richmond and Aviation Board Members

Cc: Mitch Reynolds, Mayor

From: Ian Turner, Airport Director

Subject: 21-1339 – Resolution approving a third amendment to the Airport Fixed Base Operator’s Lease and Operating Agreement between TDM, INC., D/B/A Colgan Air Services and the City of La Crosse

Summary:

TDM, Inc., requested an extension to its lease requirement to relocate its fuel farm to the City’s consolidated fuel farm by December 31, 2021. The request is due to the reduction in business related to COVID-19. This resolution extends that date to June 30, 2024.

Previous Action:

The City of La Crosse Common Council approved Resolution 14-1350 authorizing the Aviation Board to negotiate and approve a lease with TDM, Inc. The Aviation Board approved the Airport Fixed Base Operator’s Lease and Operating Agreement with TDM, Inc., by item 15-0864. The lease included terms to relocate TDM’s fuel farm to the consolidated fuel farm upon a set time after the consolidated fuel farm’s completion, a date that is December 31, 2021. TDM, Inc.’s lease was additionally amended by Common Council Resolution 17-1387, for financing considerations, and by Resolution 20-0663, related to COVID-19 considerations.

Background:

During the summer of 2020, TDM, Inc., requested assistance from the City of La Crosse related to business impacts from the COVID-19 pandemic. The City granted rent and commission relief through Resolution 21-0663 to multiple entities, including TDM, Inc. TDM, Inc., had additional requests specific to its financial investment requirements for relocating its fuel farm. Due to the large reduction in business, additional time was requested to complete this capital improvement.

Since that request, the City and TDM, Inc., have negotiated in good faith and reached an agreement. This resolution extends the due date to relocate the fuel farm until June 30, 2024, which is an additional thirty months.



Financial Implications:

There are no additional costs associated with the passage of this resolution.

Stakeholder Process:

The item is placed before the Aviation Board for initial approval. The Judiciary and Administration Committee shall approve this resolution prior to final approval by the Common Council.

Alternatives:

The Aviation Board may choose to deny this item after which the original terms of the current lease will be followed

Staff Recommendation:

It is the recommendation of staff to approve this extension.

Attachments:

Third Amendment to the Airport Fixed Base Operator's Lease and Operating Agreement

