

AVIATION BOARD BACKGROUND LETTER

Aviation Board Meeting Date: December 16, 2024

To: Chair Dickinson and Aviation Board Members

Cc: Mitch Reynolds, Mayor

From: Jeff Tripp, Airport Director

Subject: Black Oak Leasing, LLC Parcel 'O' Lease

Summary:

Approval of a new Building and Land Lease with Black Oak Leasing, LLC for Parcel "O".

Previous Action:

Approval of the Building and Land Lease with Black Oak Leasing, LLC.

Background:

Black Oak Leasing, LLC ("Lessee") has leased the city hangar located on Parcel 'O' (2924 Fanta Reed Road) for the period of January 1, 2020, through December 31, 2022, with two additional one-year extensions through December 31, 2024.

The City and Lessee desire to enter into a new lease. The term of this Lease shall commence on January 1, 2025, and continue through and including December 31, 2028. The Lessee may exercise two (2) additional one (1) year extended terms.

Financial Implications:

Lessee agrees to pay to the City, the following amounts for the rental of land and structure as herein leased:

Structure: Lessee shall pay two thousand five hundred thirty dollars and forty-four cents (\$2,530.44) per month. This amount is based upon four dollars and ninety-six cents (\$4.9617) per square foot per year for space leased (6,120 sq. ft.).

Land: For the land, Lessee shall pay five hundred fifteen dollars and fifty-eight cents (\$515.58) per month. This amount is based upon thirty-nine- and one-half cents (\$.3956) per square foot per year for land leased (15,640 sq. ft.).

Stakeholder Process:

If approved by the Aviation Board, the Airport will recommend Common Council execute the Building and Land Lease.

Alternatives:

If not approved, the Airport will advertise this parcel for lease.

Staff Recommendation:

It is the recommendation of staff to approve this item.

Attachments:

Parcel 'O' Building and Land Lease

Respectfully Submitted,



Jeffrey S. Tripp, A.A.E.
Airport Director