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Title: Approve a Lease between the City of Fresno and Golden Skies, LLC., dba Fresno Flyers, to operate a flight school and related aviation operations at Fresno Chandler Executive Airport (Council District 3)

Sponsors: Airports Department

Indexes:

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Attachments: 1. 04-19-18 Aviation Land and Building Lease & Agreement Golden Skies.pdf

Date	Ver.	Action By	Action	Result
4/19/2018	1	City Council	approved	

REPORT TO THE CITY COUNCIL

April 19, 2018

FROM: KEVIN R. MEIKLE, Director of Aviation
Airports Department

SUBJECT

Approve a Lease between the City of Fresno and Golden Skies, LLC., dba Fresno Flyers, to operate a flight school and related aviation operations at Fresno Chandler Executive Airport (Council District 3)

RECOMMENDATION

Staff recommends Council authorize the Director of Aviation to execute an Aviation Land and Building Lease and Agreement (Lease) with Golden Skies, LLC., dba Fresno Flyers (Fresno Flyers), to operate as a Fixed Based Operator (FBO) and Flight School at Fresno Chandler Executive Airport (FCH).

EXECUTIVE SUMMARY

Fresno Flyers currently operates as a Specialized Aviation Service Operator (SASO) and Flight School at FCH. The Lease will allow them to operate as an FBO, which includes additional services such as maintenance and repair of aircraft and helicopters at FCH. The term of the Lease is for an initial five years with two one-year options to extend, for up to seven years, with a 30 day

termination notice without cause.

BACKGROUND

Fresno Flyers has been operating at FCH since 2013. The Lease will allow them to continue operating as a Flight School and provide a full range of aviation services as an FBO. An FBO allows support of aircraft up to 12,500 pounds gross weight and can include, (i) retail sales and delivery into-plane of aircraft fuel, lubricants and additives, (ii) overnight tie-down and aircraft storage, (iii) minor aircraft maintenance, servicing and repair, (iv) tire “airing” and battery “boosts,” (v) pilot and passenger waiting lounge with restrooms, phones and direct-access to the most current aviation weather information, (vi) air-to-ground radio communications, and (vii) removal of disabled Aircraft from the Aircraft Operations Area.

The current Lease expired March 31, 2018, and is currently in hold-over. The leasehold consists of a 3,228 square foot facility, including a 1,242 square foot office building and 1,986 square feet of open aircraft ramp space. Refer to attached Site Plan.

The City Attorney has reviewed and approved the amendments and the new Lease as to form.

ENVIRONMENTAL FINDINGS

Pursuant to CEQA Guidelines Section 15378, this is not a project for the purposes of CEQA.

LOCAL PREFERENCE

The City's Local Preference Ordinance was not applied because Leases do not include a bid or award of a construction or services contract.

FISCAL IMPACT

The first year rent is \$24,230.40 and is subject to annual Consumer Price Index (CPI) adjustments. The rent is based on Fair Market Value, which is required by Federal Aviation Administration (FAA) Revenue Policy. The estimated revenue generated under the Lease for the initial five year term will be \$121,152 plus annual CPI adjustments. If the two 1-year options are executed then the total revenue is estimated to be \$169,613 plus annual CPI adjustments. All revenue will be deposited into the Airports Enterprise Fund and will contribute to the operation and maintenance of FCH. There is no impact to the General Fund from this action.

Fresno Flyers provides a necessary and valuable service at FCH and contributes to the economic development of the community and surrounding region. The ability to provide additional services as an FBO will further enhance the viability of FCH and the economic impact.

Attachments:

- Aviation Land and Building Lease & Agreement