



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Presenter:</b>	Jason Anderson
<b>Meeting Date:</b>	Tuesday, December 17, 2024
<b>Category:</b>	CONSENT AGENDA
<b>Type:</b>	ACTION
<b>Subject:</b>	Consider Amendment 1 to Commercial Lease and Fixed Base Operator’s Agreement with Southwest Aviation, Inc.
<b>Background Information:</b>	<p>The City maintains a lease agreement with Southwest Aviation, Inc., doing business as Midwest Aviation, to operate as a Fixed Based Operator (FBO) and conduct business in City-owned buildings and to utilize City-owned property. In exchange for use of City facilities, it is expected that the FBO provide some services at the airport as an agent of the City and that the FBO has a Monday-Friday 8am-6pm presence at the Southwest Minnesota Regional Airport.</p> <p>The existing lease agreement between the City of Marshall and Southwest Aviation, Inc. expires on December 31, 2024. It is the intent of City staff to work with our FBO to agree upon terms and rental rates for a new lease agreement. To provide enough time to have the necessary discussions and review, staff is proposing a lease amendment to extend the current lease for one (1) additional calendar year. The amendment gives the City and FBO until May 31, 2025 to agree to terms and allows for the existing lease to remain in effect until December 31, 2025.</p> <p>Included in the packet is the proposed Amendment 1 to the Commercial Lease Agreement and Exhibit A, as well as a copy of the current lease expiring December 31, 2024.</p>
<b>Fiscal Impact:</b>	Current FBO lease payment totals \$5,500/month. The proposed rate for 2025 through this lease amendment is \$7,150/month.
<b>Alternative/ Variations:</b>	No alternative actions recommended.
<b>Recommendations:</b>	that the Council approve the Amendment 1 to the Commercial Lease and Fixed Base Operator’s Agreement with Southwest Aviation, Inc.