



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 11, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Sub-Lease of FBO Agreement at the Airport.
Background Information:	<p>Our airport Fixed Base Operator (FBO) has moved the aerial spraying portion of the business from Midwest Aviation into an entity named Midwest Aerial Ag, LLC. The MN Department of Aeronautics requires a letter from the airport owner to grant permission to Midwest Aerial Ag, LLC to operate from our airport prior to issuing the commercial operator certificate to this new entity.</p> <p>In reviewing the lease agreement with our FBO and in coordination with our City Attorney, city staff has identified that a sublease agreement is required for Midwest Aerial Ag, LLC to operate from facilities currently being leased for Midwest Aviation. The sublease has been prepared by our City Attorney's office and is included in the Council packet.</p> <p>City staff is proposing to approve the requested sublease for our FBO, subject to the terms and conditions of the FBO lease agreement and the new sublease agreement. The space that will be sublet will likely be used by Midwest Aerial Ag for a period of 3-4 months every year when spraying demand is high. The FBO will still utilize some of the hangar space that is being proposed to be sublet.</p> <p>At the Airport Commission meeting on May 5, 2021, the Airport Commission voted unanimously to recommend approval of the sublease agreement to the City Council.</p>
Fiscal Impact:	None.
Alternative/ Variations:	No alternative actions recommended.
Recommendation:	that the Council approve the Sub-Lease of a Portion of a Leased Premises Subject to the Terms and Conditions of the City of Marshall Commercial Lease and Fixed Base Operator's Agreement with Southwest Aviation, Inc.