



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Jason Anderson
Meeting Date:	Tuesday, May 27, 2025
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider Amendment 2 to Commercial Lease and Fixed Base Operator's Agreement with Southwest Aviation, Inc.
Background Information:	<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 lease agreement between the City of Marshall and Southwest Aviation, Inc. expired on December 31, 2024. At the 12/17/2024 meeting, the City Council approved Amendment 1, which extended the lease for one (1) additional calendar year, gave the City and FBO until May 31, 2025 to agree to terms, and allowed for the existing lease to remain in effect until December 31, 2025. It is the intent of City staff to work with our FBO to agree upon terms and rental rates for a new lease agreement.</p> <p>Included in the packet is the proposed Amendment 2 to the Commercial Lease Agreement. The amendment gives the City and FBO until August 31, 2025 to agree to terms and allows for the existing lease to remain in effect until December 31, 2025.</p> <p>Also included in the packet is a copy of the lease which expired December 31, 2024 and a copy of Amendment 1.</p>
Fiscal Impact:	None at this time. Amendment 1 revised the FBO lease payment to \$7,150/month for 2025.
Alternative/ Variations:	No alternative actions recommended.
Recommendations:	that the Council approve the Amendment 2 to the Commercial Lease and Fixed Base Operator's Agreement with Southwest Aviation, Inc.