

AGENDA
SHAWNEE AIRPORT AUTHORITY
June 1, 2020 AT 6:00 P.M.
COMMISSION CHAMBERS AT CITY HALL
16 WEST 9TH STREET
SHAWNEE, OKLAHOMA

CALL TO ORDER

DECLARATION OF A QUORUM

1. Consider approval of Consent Agenda:
 - a. Minutes from the May 18, 2020 regular meeting.
2. Consideration of a resolution declaring certain items of personal property surplus and authorizing the sale of said items at auction or disposal at the Shawnee Regional Airport's discretion; with all funds collected to be allocated to the Shawnee Regional Airport.
3. Discussion and consideration of a lease to own agreement for field equipment (tractor).
4. Discussion and consideration of rental rates for Fiscal Year 2020-2021.
5. Discussion and consideration of implementing an after-hour service fee.
6. Discussion and consideration of Revised Standard Non-Commercial Hangar Lease Agreements and authorize Staff to execute Standard Non-Commercial Leases for Fiscal Year 2020-2021.
7. New Business

(Any matter not known or which could not have been reasonably foreseen prior to the posting of the agenda)
8. Adjournment

Respectfully submitted

Lisa Lasyone, CMC, City Clerk

Shawnee Airport Authority

1. a.

Meeting Date: 06/01/2020

Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Minutes from the May 18, 2020 regular meeting.

Fiscal Impact

Attachments

Minutes

THE TRUSTEES OF THE SHAWNEE AIRPORT AUTHORITY OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA, MET IN REGULAR SCHEDULED SESSION VIA VIDEOCONFERENCE, MONDAY, MAY 18, 2020, DURING THE BOARD OF CITY COMMISSIONER MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW AT 4:52 P.M. ON MAY 15, 2020. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE VIA VIDEOCONFERENCE:

Members of the Shawnee Airport Authority participation:

Chairman Richard Finley	Via Videoconference
Trustee James Harrod	Via Videoconference
Trustee Ed Bolt	Via Videoconference
Trustee Ron Gillham	Via Videoconference
Trustee Darren Rutherford	Via Videoconference
Trustee Mark Sehorn	Via Videoconference
Trustee Ben Salter	Via Videoconference

ABSENT: None

Call to Order
Declaration of a Quorum

AGENDA ITEM NO. 1: Consider approval of Consent Agenda:

- a. Minutes from the May 4, 2020 regular meeting.

A motion was made by Trustee Harrod, seconded by Trustee Bolt, to approve the Consent Agenda Item No. 1(a). Motion carried 7-0.

AYE: Harrod, Bolt, Gillham, Finley, Rutherford, Sehorn, Salter
NAY: None

AGENDA ITEM NO. 2: Consideration for authorization to advertise Request for Bids/Invitation to Bid on runway and taxiway rehabilitation at Shawnee Regional Airport (SNL).

Airport Manager Bonnie Wilson explained that approval of this item would allow Staff to advertise for Requests for Bids/Invitation to Bid for construction in support of the rehabilitation of the runway and taxiways at the Shawnee Regional Airport (SNL). She explained it is necessary to have bids in hand when applying for grants. The project is estimated to cost over \$1,000,000.00; the City's portion will be approximately \$30,000.00 of the project.

A motion was made by Trustee Harrod, seconded by Trustee Rutherford, to approve advertisement for Requests of Bids/Invitation to Bids to bid on runway and taxiway rehabilitation at Shawnee Regional Airport. Motion carried 7-0.

AYE: Harrod, Rutherford, Sehorn, Salter, Bolt, Gillham, Finley

NAY: None

AGENDA ITEM NO. 3:

New Business (Any matter not known or which could not have been reasonably foreseen prior to the posting of the agenda)

There was no New Business.

AGENDA ITEM NO. 4:

Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (6:47 p.m.)

RICHARD FINLEY, CHAIRMAN

ATTEST:

LISA LASYONE, SECRETARY

Shawnee Airport Authority

2.

Meeting Date: 06/01/2020

Surplus

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consideration of a resolution declaring certain items of personal property surplus and authorizing the sale of said items at auction or disposal at the Shawnee Regional Airport's discretion; with all funds collected to be allocated to the Shawnee Regional Airport.

Fiscal Impact

Attachments

Memo

Resolution



Date: May 22, 2020

To: Shawnee Airport Authority

The Honorable Richard Finley, Mayor
James Harrod, Vice Mayor
Ed Bolt, Commissioner
Ron Gillham, Commissioner
Darren Rutherford, Commissioner
Ben Salter, Commissioner
Mark Sehorn, Commissioner

From: Bonnie A. Wilson, CM Airport Manager

Subject: Consideration of a resolution declaring certain items of personal property surplus and authorizing the sale of said items at auction or disposal at the Shawnee Regional Airport's discretion; with all funds collected to be allocated to the Shawnee Regional Airport.

Nature of Request:

Staff has identified equipment owned by, or otherwise stored at, the Shawnee Regional Airport to determine what if any value these items provide to the operation and maintenance of the facility. Having determined that certain personal property has little value to the Airport in its current state, staff is recommending that the following list of property be declared surplus and offers for sale to the highest bidder via internet auction.

1. 1994 Chevrolet ½ Ton Pick-Up Truck (Identification No. 0966)
 - a. Replaced by 2013 Chevrolet Silverado ½ Ton Pick-Up declared surplus by the Shawnee Municipal Authority
2. Side mount (2) tool boxes, and rear cab mount truck bed tool box (1)
 - a. See Item 1, removed from 1994 Chevrolet ½ Ton Pick-Up Truck
3. 1987 Ford F700 Truck (Identification No. 0120)
 - a. Replaced by 1996 GMC purchased for \$12,720 including transfer of fuel tank and pumping system.
4. 1993 John Deere 6300 Light Utility Tractor (Identification No. 1492)
 - a. Staff is seeking prices for lease to own or used equipment.

5. 2002 Chevy Impala (Identification No. 1728
 - a. Replaced by 2013 Chevrolet Silverado ½ Ton Pick-Up declared surplus by the Shawnee Municipal Authority
6. 2010 Kubota DZ-331-LP72 zero turn mower (Identification No. 3572)
 - a. Replaced by 2020 Cub Cadet ZTX460 zero turn mower purchased for \$5,650.00
7. Push Mowers (2)
 - a. Replaced by 2020 Cub Cadet Push/Finish Mower purchased for \$329.00
8. Hand held string trimmers (2)
 - a. Replaced with two (2) 2020 Cub Cadet ST426S (4 Stroke) Straight Shaft String Trimmers purchased for \$250.00
9. The Toro Company walk-behind leaf blower
 - a. No replacement required

Staff Analysis and Considerations:

The property listed above offers little to no value to the operation and maintenance of the Airport in its current state. Staff proposes to engage the services of Public Surplus, of Provo Utah, to host an internet-based auction, market the real property and equipment, collect payments, and remit proceeds to the Shawnee Regional Airport. Successful bidders pay the fee for auction services at the rate of 10.5% of the final bid amount for the various items offered.

Recommendation:

The Shawnee Airport Advisory Board directed staff to seek authorization from Shawnee Airport Authority to declare the identified items as surplus and authorization to sell said items to the public via internet-based auction, and or negotiate a sale price with the highest bidder should the bid reserve not be met.

Budget Consideration:

There is no direct cost to the Shawnee Regional Airport (SNL) for conducting the auction. SNL will use the proceeds from the sale to support operational expenses.

RESOLUTION NO. SAA-2020-__

A RESOLUTION DECLARING CERTAIN ITEMS OF PERSONAL PROPERTY SURPLUS AND NO LONGER NEEDED FOR SHAWNEE REGIONAL AIRPORT PURPOSES; DESCRIBING SAID ITEMS; AND AUTHORIZING THE SALE OF SAID ITEMS BY AUCTION AND, IN THE EVENT ITEMS DO NOT SELL AT AUCTION, DISPOSAL AT THE SHAWNEE REGIONAL AIRPORT'S DISCRETION; FUNDS FROM SAID AUCTION OR OTHER DISPOSAL REMEDIES WILL BE ALLOCATED TO THE SHAWNEE REGIONAL AIRPORT.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SHAWNEE, OKLAHOMA:

That the items of personal property are described as set out in attached Exhibit "A".

Said property is hereby declared Shawnee Regional Airport owned items which are surplus items no longer needed for Shawnee Regional Airport purposes; that the Shawnee Regional Airport is authorized to sell said items to the public by auction. If any items do not sell at the auction, said items may be disposed at the Shawnee Regional Airport's discretion. All funds received from auction or other disposal remedies will be allocated to the Shawnee Regional Airport.

Adopted this 1st day of June, 2020.

ATTEST:

Richard Finley, Mayor

(Seal)

Lisa Lasyone, CMC, City Clerk

Exhibit "A"

ASSET NUMBER	YEAR	QUANTITY	MAKE/DESCRIPTION	MODEL NUMBER	VIN/SERIAL NUMBER
0966	1994	1	Chevrolet ½ Ton Pick-Up Truck	N/A	1GCDC14Z2RZ255569
N/A	N/A	2	Side Mount Tool Box	N/A	N/A
N/A	N/A	1	Rear Cab Mount Truck Bed Tool Box	N/A	N/A
0120	1987	1	Ford F-700 Truck	N/A	1FDPF70H3HVA54639
1492	1993	1	John Deere 6200 Light Utility Tractor	2755	L06333H10996
1728	2002	1	Chevrolet Impala	N/A	2G1WF52E329271814
3572	2010	1	Kubota DZ-331-LP72 Zero Turn Mower	RCK72P-331Z	30124
N/A	N/A	2	Push Mower	N/A	N/A
N/A	N/A	2	Hand Held String Trimmer	N/A	N/A
N/A	N/A	1	The Toro Company Walk-Behind Leaf Blower	N/A	N/A

Shawnee Airport Authority

3.

Meeting Date: 06/01/2020

Lease to Own

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Discussion and consideration of a lease to own agreement for field equipment (tractor).

Fiscal Impact

Attachments

Memo



Date: May 22, 2020

To: Shawnee Airport Authority

The Honorable Richard Finley, Mayor
James Harrod, Vice Mayor
Ed Bolt, Commissioner
Ron Gillham, Commissioner
Darren Rutherford, Commissioner
Ben Salter, Commissioner
Mark Sehorn, Commissioner

From: Bonnie A. Wilson, CM Airport Manager

Subject: Discussion and consideration of a lease to own agreement for field equipment (tractor).

Nature of Request:

Authorization to execute a Lease to Own agreement for the purpose of procuring a used tractor to support mowing operations at the Shawnee Regional Airport.

Staff Analysis and Considerations:

Staff researched options for purchasing, and or leasing, a utility tractor to support large scale grass cutting operations at Shawnee Regional Airport (approximately 300 acres). A new tractor of sufficient size and horse power to operate our current mowing equipment cost approximately eighty to ninety thousand dollars (\$80,000 – \$90,000), dependent on features and attachments. The cost to finance a purchase or lease new equipment is higher due to associated finance costs and or various lease fees, including ongoing maintenance required by the manufacturer. Prices for available used equipment of appropriate size and capacity ranged from sixty to eighty thousand dollars (\$60,000 - \$80,000).

As an alternative, staff sought and secured, two offers to “Lease to Own” suitable used equipment to meet operational requirements. Both offers provided a monthly lease rate of two-thousand dollars (\$2,000) per month. The final sale prices for the equipment were set at ninety-thousand dollars (\$90,000) for a Kubota M6-141DTC-F, and forty-thousand dollars (\$40,000) for a John Deere 6210, including maintenance services throughout the term of the lease.

Recommendation

The Kubota M6-141DTC-F is larger and heavier than strictly required for the intended use and does not include routine maintenance service.

The lower price John Deere 6210 is of sufficient size and horsepower to operate current mowing equipment and the lease agreement includes maintenance and repairs, though the Shawnee Airport would be responsible for the cost of parts.

Staff is recommending entering into an agreement with Airdale Farms & Machinery, LLC, to Lease to Own the John Deere tractor for a term of twenty calendar months at the rate of two-thousand dollars (\$2,000) per month. Staff is also recommending procuring insurance beyond that provided by the owner as part of the lease agreement at the rate of twenty-five dollars \$25.00 per year.

A copy of the proposed lease agreement is attached for review and consideration.

Action Requested

The Shawnee Airport Advisory Board directed staff to seek authorization from Shawnee Airport Authority to enter into a Lease to Own agreement for the purpose of procuring a tractor to support mowing operations at the Shawnee Regional Airport.

Budget Consideration:

Airport staff are available to operate the machinery, have airfield operations and safety training and access to aircraft communications equipment, no additional labor costs are anticipated.

The fees for leasing and maintaining the tractor will be included in the Fiscal Year 2021 and 2022 budgets.

Airdale Farms & Machinery, LLC

JOHN DEERE TRACTOR LEASE to OWN AGREEMENT

LESSOR:	LESSEE:
Airdale Farms & Machinery, LLC30581 Parkwood Rd. Mcloud, OK 74851	CITY OF SHAWNEE 2202 N. AIRPORT DR SHAWNEE, OK 74804

1. **LEASE:** LESSOR HEREBY LEASES TO LESSEE, AND LESSEE HEREBY TAKES AND RENTS FOR THE PURPOSE OF PURCHASE, FROM LESSOR, THE PROPERTY DESCRIBED HEREIN TOGETHER WITH ALL REPLACEMENT PARTS, REPAIRS, ADDITIONS, ATTACHMENTS, ACCESSORIES AND REPLACEMENTS THEREFOR (COLLECTIVELY REFERRED TO AS "EQUIPMENT"), SUBJECT TO THE TERMS AND CONDITIONS HEREINAFTER SET FORTH, AS SUPPLEMENTED BY ANY TERMS AND CONDITIONS CONTAINED IN ANY SCHEDULE HERETO. THIS AGREEMENT AND ALL SCHEDULES AND ATTACHMENTS HERETO ARE TOGETHER REFERRED TO AS THE "LEASE."
2. **LESSOR.** "LESSOR," AS USED HEREIN, MEANS THE LESSOR WHOSE NAME APPEARS ON THIS LEASE AND ITS SUCCESSORS AND ASSIGNS.
3. **DESCRIPTION OF LEASED EQUIPMENT:** DESCRIPTION OF THE EQUIPMENT IS SET FORTH IN "SCHEDULE A" HERETO ATTACHED AND MADE A PART OF THIS LEASE AS AN ADDENDUM TO THE LEASE.
4. **LOCATION OF EQUIPMENT:** THE EQUIPMENT WILL AT ALL TIMES BE KEPT AT THE ADDRESS SET FORTH IN SCHEDULE B HERETO, LEGALLY DESCRIBED AS SET FORTH IN ADDENDUM TO THE LEASE "SCHEDULE B" HERETO UNLESS A LEGAL DESCRIPTION IS WAIVED BY LESSOR.
5. **LEASE TERM:** LESSEE SHALL ABSOLUTELY AND UNCONDITIONALLY ABIDE BY THE FULL TERM AS SET FORTH IN THE ADDENDUM TO LEASE "SCHEDULE C".
6. **RENTAL PAYMENTS & SECURITY DEPOSIT:** LESSEE SHALL ABSOLUTELY AND UNCONDITIONALLY MAKE ALL RENTAL PAYMENTS AS SET FORTH IN THE ADDENDUM TO THE LEASE "SCHEDULE D" HERETO, TOGETHER
 - a. THE RECEIPT OF ANY CHECK OR OTHER ITEM ON ACCOUNT OF ANY RENTAL PAYMENT SHALL NOT BE CONSIDERED AS PAYMENT UNTIL IT HAS BEEN HONORED.
7. **TITLE:** LESSOR SHALL RETAIN TITLE TO THE EQUIPMENT UNTIL SUCH TIME AS PAYMENT IN FULL FOR THE VALUE OF THE EQUIPMENT ESTABLISHED AS \$40,000.00, IS RECEIVED FROM THE LESSEE.
 - a. LESSEE CONSENTS TO LESSOR'S MAKING ITS INTEREST IN THE EQUIPMENT A MATTER OF PUBLIC RECORD BY FILING OR RECORDING THIS LEASE TO OWN AGREEMENT, A NOTICE OF LEASE TO OWN, ABSTRACT, FINANCING STATEMENT OR ANY OTHER DOCUMENT AT SUCH TIMES AND IN SUCH PLACES AND AS OFTEN AS LESSOR DEEMS NECESSARY.
 - b. LESSEE SHALL EXECUTE ANY SUCH DOCUMENTS REQUESTED BY LESSOR
 - c. LESSEE AT ITS EXPENSE SHALL PROTECT AND DEFEND LESSOR'S TITLE, AT ALL TIMES KEEPING THE EQUIPMENT FREE FROM ANY LEGAL PROCESS OR ENCUMBRANCES WHATSOEVER, INCLUDING BUT NOT LIMITED TO, STATUTORY OR CONSENSUAL LIENS, WRITS OF ATTACHMENT, REPLEVIN OR SIMILAR WRITS, SECURITY INTERESTS, LEVIES AND EXECUTIONS, AND SHALL GIVE LESSOR IMMEDIATE WRITTEN NOTICE UPON THE OCCURRENCE OF ANY OF THE FORGOING.
8. **EXECUTION: LAW GOVERNING; SERVICE:** THIS LEASE SHALL ONLY BE BINDING WHEN ACCEPTED BY THE LESSOR, SHALL BE DEEMED TO HAVE BEEN MADE IN SHAWNEE, OKLAHOMA, AND SHALL BE GOVERNED BY THE LAWS OF OKLAHOMA. ALL ACTIONS OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATED TO THIS LEASE SHALL, AT LESSOR'S SOLE OPTION, BE LITIGATED ONLY IN THE CIRCUIT COURT FOR POTTOWATOMIE COUNTY, OK, OR THE UNITED STATES DISTRICT COURT DESIGNATED BY LESSOR.
 - a. LESSEE ACKNOWLEDGES THAT EXECUTION OF THIS LEASE AND THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER CONSTITUTE DOING BUSINESS WITHIN THE STATE OF OKLAHOMA FOR PURPOSES OF "LONG-ARM" JURISDICTION (BUT NOT NECESSARILY FOR ANY OTHER SPECIFIC PURPOSE).
9. **CARE, USE, MAINTENANCE, ALTERATION AND INSPECTION OF EQUIPMENT:** LESSEE, SHALL (A) REPORT ANY REQUIREMENT FOR MAINTENANCE OR REPAIR TO THE LESSOR AS SOON AS PRACTICABLE, (B) PROTECT THE EQUIPMENT FROM DETERIORATION OTHER THAN NORMAL WEAR AND TEAR, (C) USE THE EQUIPMENT ONLY IN CONFORMITY WITH APPLICABLE LAWS, ANY INSURANCE POLICIES AND ANY WARRANTIES OF THE MANUFACTURER AND IN THE REGULAR COURSE OF ITS BUSINESS, WITHIN ITS NORMAL CAPACITY, WITHOUT ABUSE AND IN A MANNER CONTEMPLATED BY THE MANUFACTURER THEREOF, (D) MAKE NO REPLACEMENTS, MODIFICATIONS, ALTERATIONS OR ADDITIONS TO THE EQUIPMENT, WITHOUT LESSOR'S WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD, (E) NOT SO AFFIX THE EQUIPMENT TO

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REALTY AS TO CHANGE ITS NATURE TO A FIXTURE OR TO REAL PROPERTY, AGREEING THAT THE EQUIPMENT SHALL REMAIN PERSONAL PROPERTY AT ALL TIMES REGARDLESS OF HOW ATTACHED OR INSTALLED, AND (F) KEEP THE EQUIPMENT AT THE ADDRESS STATED ON SCHEDULE B HERETO AND NOT TO REMOVE IT WITHOUT LESSOR'S WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD.

- a. ALL MODIFICATIONS, REPAIRS, ALTERATIONS, ADDITIONS, REPLACEMENTS, SUBSTITUTIONS, OPERATING ACCESSORIES AND CONTROLS SHALL ACCRUE TO THE EQUIPMENT AND BECOME LESSOR'S PROPERTY.
 - b. LESSOR SHALL HAVE THE RIGHT, DURING NORMAL BUSINESS HOURS, TO ENTER UPON THE PREMISES WHERE THE EQUIPMENT IS LOCATED IN ORDER TO INSPECT, OBSERVE OR REMOVE IT, OR OTHERWISE PROTECT LESSOR'S INTEREST, AND LESSEE SHALL COOPERATE IN AFFORDING LESSOR THE OPPORTUNITY TO DO SO.
 - c. FOR THE PURPOSE OF ASSURING LESSOR THAT THE EQUIPMENT WILL BE PROPERLY SERVICED, LESSEE SHALL CAUSE THE EQUIPMENT TO BE MADE AVAILABLE FOR MAINTENANCE PURSUANT TO THE TERMS OF THE MANUFACTURER'S OR VENDOR'S MAINTENANCE CONTRACT (WHETHER OR NOT LESSEE IN FACT EXECUTES ANY SUCH CONTRACT) AND MANUFACTURER'S OTHER SERVICING AND MAINTENANCE RECOMMENDATIONS.
 - d. LESSOR SHALL NOT BE RESPONSIBLE FOR ANY LOSS OR DAMAGE TO THE EQUIPMENT. LESSOR SHALL NOT BE LIABLE TO LESSEE OR ANY OTHER PERSON, FIRM OR CORPORATION FOR ANY SET-OFF, RECOUPMENT, OR OTHER DEFENSE AGAINST ANY MANUFACTURER, VENDOR OR SUPPLIER OR FOR ANY LIABILITY, CLAIM, LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE OR ANY OTHER LIABILITY, DAMAGES, CLAIMS, ACTIONS OR CAUSES OF ACTION WHETHER IN TORT, CONTRACT OR OTHERWISE, OCCASIONED BY LESSOR'S NEGLIGENCE OR BY USE OF THE EQUIPMENT BY LESSEE, ITS AGENTS OR EMPLOYEES.
 - e. THE EQUIPMENT SHALL BE OPERATED AND MAINTAINED ONLY BY COMPETENT AGENTS OR EMPLOYEES OF LESSEE, AND ANY PERSON OPERATING OR MAINTAINING THE EQUIPMENT SHALL BE PRESUMED TO BE LESSEE' OR EMPLOYEE.
10. **INDEMNITY:** LESSEE SHALL DEFEND & INDEMNIFY AND SAVE LESSOR HARMLESS AGAINST AND FROM ANY AND ALL LIABILITY, DAMAGES, CLAIMS, ACTIONS OR CAUSES OR ACTION (HEREINAFTER COLLECTIVELY "LIABILITIES") ARISING OUT OF ANY ACTS OR ADMISSIONS BY LESSEE IN PERFORMING THIS TRACTOR LEASE AGREEMENT AND ANY LIABILITIES TO VENDORS, SUPPLIERS, OR MANUFACTURERS OF THE EQUIPMENT, OR RELATED TO THE OWNERSHIP, SELECTION, POSSESSION, LEASE, RENTAL, OPERATION, CONTROL, USE, MAINTENANCE, DELIVERY OR RETURN OF THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO, LIABILITIES ARISING OUT OF OR RELATED TO THE FOREGOING, WHETHER RESULTING FROM LESSOR'S NEGLIGENCE OR IN THE NATURE OF CONTRACT, TORT, STRICT LIABILITY, OR BREACH OF WARRANTY, AND WHETHER INVOLVING PERSONAL INJURY, PROPERTY DAMAGE OR DEATH, OR WHETHER OTHERWISE. IN THE EVENT LESSOR SHALL RECEIVE ANY INSURANCE PAYMENT OR SETTLEMENT UNDER INSURANCE POLICIES OBTAINED BY LESSEE IN CONNECTION WITH THE FOREGOING, LESSEE SHALL BE ENTITLED TO CREDIT THEREFOR.
11. **INSURANCE:** LESSEE SHALL KEEP THE EQUIPMENT INSURED AGAINST ALL RISKS OF LOSS OR DAMAGE.
12. **DEFAULT:** IF (A) LESSEE SHALL FAIL TO MAKE ANY RENT OR OTHER PAYMENT HEREUNDER WHEN DUE, (B) LESSEE SHALL BREACH ANY WARRANTY HEREUNDER, (C) LESSEE SHALL FAIL TO PERFORM ANY OTHER COVENANT HEREIN AND SUCH DEFAULT CONTINUES FOR TEN (10) BUSINESS DAYS AFTER WRITTEN NOTICE THEREOF TO LESSEE BY LESSOR, (D) LESSEE BECOMES INSOLVENT OR MAKES AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS, (E) LESSEE APPLIES FOR, OR CONSENTS TO, THE APPOINTMENT OF, OR IF THERE IS APPOINTED A RECEIVER, TRUSTEE, CONSERVATOR OR LIQUIDATOR OF LESSEE OR OF ALL OR A SUBSTANTIAL PART OF THE ASSETS OF LESSEE, (F) OF THIS PARAGRAPH OCCUR AS TO ANY GUARANTOR OF LESSEE'S OBLIGATIONS HEREUNDER, OR (G) THERE IS ANY OTHER BREACH OF OR FAILURE TO PERFORM ANY PROVISION IN ANY AGREEMENT GUARANTYING PAYMENT OR PERFORMANCE OF LESSEE'S OBLIGATIONS HEREUNDER, SUCH EVENT SHALL CONSTITUTE AN EVENT OF DEFAULT HEREUNDER, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSOR SHALL HAVE THE RIGHT TO EXERCISE ANY ONE OR MORE OF THE REMEDIES PROVIDED HEREFTER.
13. **REMEDIES:** IN THE EVENT OF ANY DEFAULT, LESSOR MAY AT ITS OPTION RETAIN ALL PRIOR PAYMENTS OF RENT AND DEPOSITS AND SELL OR RE-LEASE THE EQUIPMENT THROUGH PRIVATE OR PUBLIC SALE OR RE-LEASE IT WITH OR WITHOUT NOTICE TO LESSEE, WITH OR WITHOUT HAVING THE EQUIPMENT AT ANY SUCH SALE OR RE-LEASING, AND LESSOR MAY ITSELF PURCHASE ALL OR ANY PART OF THE EQUIPMENT AT PUBLIC OR PRIVATE SALE OR MAY RE-LEASE THE EQUIPMENT FOR A LONGER OR SHORTER TERM THAN THIS ORIGINAL LEASE, AND EXERCISE ANY OTHER REMEDY AT LAW OR EQUITY.
- a. THE PROCEEDS OF ANY SALE OR RE-LEASING, LESS THE EXPENSES OF RETAKING, STORAGE, REPAIRING, SALE OR RE-LEASING, TOGETHER WITH ALL ATTORNEY'S FEES AS SET FORTH HEREIN, WILL BE APPLIED TO THE PAYMENT OF THE UNPAID TOTAL RENT.
 - b. LESSEE SHALL REMAIN LIABLE FOR ANY REMAINING BALANCE DUE ON THE UNPAID RENT.

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- c. ANY EXCESS OBTAINED BY LESSOR AT ANY SALE OR RE-LEASING OF THE EQUIPMENT OVER ANY AMOUNTS OWED BY THE LESSEE TO LESSOR SHALL BE RETAINED BY LESSOR.
 - d. LESSEE SHALL BE LIABLE FOR ANY EXPENSES LESSOR MAY INCUR IN CONNECTION WITH THE ENFORCEMENT OF ANY OF ITS INDEMNIFICATION AND ALL OTHER REMEDIES HEREIN, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES INCLUDING BUT NOT LIMITED TO THOSE INCURRED IN ANY PROCEEDINGS UNDER ANY BANKRUPTCY ACTS.
 - e. ALL REMEDIES OF LESSOR HEREUNDER ARE CUMULATIVE AND MAY, TO THE EXTENT PERMITTED BY LAW, BE EXERCISED CONCURRENTLY OR SEPARATELY, AND THE EXERCISE OF ANY ONE REMEDY SHALL NOT BE DEEMED TO BE AN ELECTION OF SUCH REMEDY OR TO PRECLUDE THE EXERCISE OF ANY OTHER REMEDY.
 - f. NO FAILURE ON THE PART OF THE LESSOR TO EXERCISE AND NO DELAY IN EXERCISING ANY RIGHT OR REMEDY HEREUNDER SHALL OPERATE AS A WAIVER THEREOF, NOR SHALL ANY SINGLE OR PARTIAL EXERCISE BY LESSOR OF ANY RIGHT OR REMEDY HEREUNDER PRECLUDE ANY OTHER OR FURTHER EXERCISE OF ANY OTHER RIGHT OR REMEDY.
 - g. WHENEVER ANY PAYMENT IS NOT MADE WHEN DUE HEREUNDER, THE LESSEE PROMISES TO PAY TO LESSOR, NOT LATER THAN ONE MONTH AFTER NOTICE THEREOF IS GIVEN TO LESSEE, AN AMOUNT OF TEN PERCENT (10%) INTEREST PER ANNUM AND TO MAKE SUCH PAYMENTS AS LIQUIDATED DAMAGES OCCASIONED BY SUCH DELAY.
 - i. REQUIREMENT OF THIS LATE CHARGE DOES NOT ALTER THE UNDERSTANDING THAT ALL RENTAL PAYMENTS ARE DUE PROMPTLY IN ACCORDANCE WITH PARAGRAPH 6 AND SCHEDULE D HEREOF.
14. **TRANSFER OF TITLE AND OWNERSHIP:** AT THE EXPIRATION OF THIS LEASE, CONTINGENT ON ALL PAYMENTS BEING RECEIVED IN FULL, LESSOR SHALL DELIVER THE EQUIPMENT TO LESSOR AT THE ADDRESS SPECIFIED IN "SCHEDULE B" HERETO. LESSOR SHALL EXECUTE AND DELIVER TO LESSEE ANY DOCUMENTS WHICH LESSOR MAY REQUEST TO EVIDENCE LESSEE'S ABSOLUTE OWNERSHIP OF THE EQUIPMENT AND THE TERMINATION OF ALL OF LESSOR'S INTERESTS THEREIN.
15. **ADDITIONAL SCHEDULES, AMENDMENTS:**
- a. THIS LEASE AND SCHEDULES ADDED HERETO SHALL BE CONSTRUED AS ONE LEASE.
 - b. THIS LEASE CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE ALTERED, AMENDED, MODIFIED, TERMINATED OR DISCHARGE EXCEPT IN WRITING SIGNED BY LESSOR AND LESSEE.
16. **GENERAL PROVISIONS:** IN THE EVENT ANY PORTION OF THIS LEASE SHALL BE FINALLY DETERMINED BY ANY COURT OF COMPETENT JURISDICTION TO BE INVALID OR UNENFORCEABLE, SUCH PROVISION SHALL BE DEEMED VOID AND THE REMAINDER OF THIS LEASE SHALL CONTINUE IN FULL FORCE AND EFFECT.
17. **TITLES:** THE TITLES TO PARAGRAPHS ARE SOLELY FOR THE CONVENIENCE OF THE PARTIES AND ARE NOT TO BE USED AS AN AID IN THE INTERPRETATION OF THIS INSTRUMENT. IF THERE IS MORE THAN ONE LESSEE NAMED HEREIN, THE LIABILITY OF EACH SHALL BE JOINT AND SEVERAL.
18. **DISCLAIMER OF WARRANTIES:** LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO LESSEE ACQUISITION OF THE EQUIPMENT HEREOF OR ANY ADDENDUM HERETO. LESSOR SPECIFICALLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND ANY WARRANTY AS TO THE DESIGN OR CONDITION OF THE EQUIPMENT, THE QUALITY OR CAPACITY OF THE EQUIPMENT, THE WORKMANSHIP OF THE EQUIPMENT, COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION, OR CONTRACT PERTAINING THERETO, PATENT INFRINGEMENT, OR HIDDEN AND LATENT DEFECTS. LESSEE SPECIFICALLY ACKNOWLEDGES THAT IT HAS SELECTED THE EQUIPMENT, HAS SPECIFIED THE EQUIPMENT AS TO PROPER DESIGN, SIZE, FITNESS, CAPACITY, AND CHOICE OF VENDOR FOR LESSEE'S PURPOSES, AND THAT LESSEE IS SATISFIED THAT THE EQUIPMENT IS SUITABLE AND FIT FOR ITS PURPOSES.
19. **ENTIRE AGREEMENT:** THIS LEASE IS THE COMPLETE AGREEMENT BETWEEN THE PARTIES AND THERE ARE NO OPTIONS OF ANY KIND UNLESS IN WRITING BY A DULY AUTHORIZED OFFICER OF LESSOR.
20. **TIME OF THE ESSENCE:** TIME IS OF THE ESSENCE OF THIS LEASE IN EACH AND ALL OF ITS PROVISIONS.
21. **DAMAGES:** LESSOR SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR LOSS OF LESSEE'S PROFITS, LOSS OF ITS EMPLOYEES' OR INDEPENDENT CONTRACTOR'S TIME, LOSS OF BUSINESS OR OTHER DAMAGES, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHERWISE CAUSED BY OR RESULTING DIRECTLY OR INDIRECTLY FROM LESSOR'S FAILURE TO COMPLY WITH THE TERMS AND PROVISIONS OF THIS LEASE, OR RESULTING FROM ANY INTERRUPTION OR CESSATION FOR ANY REASON OF ANY OBLIGATIONS OR COVENANTS OF LESSOR PROVIDED FOR HEREIN.
22. **CANCELABLE LEASE:** THIS LEASE SHALL BE CANCELABLE BY THE LESSEE WITH 60 (SIXTY) CALENDAR DAY'S WRITTEN NOTICE.

Attachment 1

23. **AUTHORITY TO SIGN AND JOINT AND SEVERAL LIABILITY:** IF LESSEE IS A CORPORATION, THE PERSON SIGNING THIS LEASE ON BEHALF OF SUCH CORPORATION HEREBY WARRANTS THAT HE/SHE HAS FULL AUTHORITY FROM SUCH CORPORATION TO ENTER INTO AND SIGN THIS LEASE AND OBLIGATE THE CORPORATION.
24. **USAGE/WEAR ON TRACTOR AND EQUIPMENT:** THE TRACTOR AND EQUIPMENT, UPON RETURN TO THE LESSOR, SHALL BE IN LIKE CONDITION WHEN DELIVERED, ONLY NORMAL WEAR AND TEAR ACCEPTED.
25. **ACKNOWLEDGMENT OF RECEIPT:** LESSEE ACKNOWLEDGES RECEIPT OF A SIGNED, TRUE, AND EXACT COPY OF THIS LEASE. IN WITNESS WHEREOF, THE LESSEE HAS EXECUTED THIS AGREEMENT ON ____ OF _____ 20____ AND THE LESSOR HAS ACCEPTED IT ON THE DATE SPECIFIED BELOW.

LESSOR:	LESSEE:
Airdale Farms & Machinery, LLC. 30581 Parkwood Rd. Mcloud, OK 74851	SHAWNEE AIRPORT AUTHORITY 16 WEST 9 TH STREET Shawnee, OK 74801
NAME: C. MINESINGER	NAME: CHANCE ALLISON
TITLE: EQUIPMENT MANAGER	TITLE: CITY MANAGER
SIGNATURE:	SIGNATURE:

ACCEPTED AT _____ THE _____ DAY OF _____, 20____.

Attachment 1

ADDENDUM TO LEASE AGREEMENT

SCHEDULE A

DESCRIPTION OF TRACTOR AND ACCESSORY EQUIPMENT IN APPLICATION OF PARAGRAPH TWO (2)

MANUFACTURER John Deere	MODEL 6210	SERIAL NO. L06210P274358
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SCHEDULE B

DELIVERY, LOCATION, AND RETURN OF EQUIPMENT IN APPLICATION OF PARAGRAPH THREE (3)

EQUIPMENT SHALL BE DELIVERED TO LESSEE AT:
SHAWNEE REGIONAL AIRPORT 2202 NORTH AIRPORT DRIVE, SHAWNEE OK 74804

LESSEE SHALL TEST DRIVE THE EQUIPMENT AND SHALL EXECUTE THE DELIVERY ACCEPTANCE CERTIFICATE.

THE EQUIPMENT SHALL BE PERMANENTLY BASED AT THE FOLLOWING LOCATION:
SHAWNEE REGIONAL AIRPORT
2202 NORTH AIRPORT DRIVE
SHAWNEE, OK 74804

EXACT LEGAL DESCRIPTION IS WAIVED BY THE LESSOR. NO CHANGE IN PERMANENT BASING SHALL BE ALLOWED WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR. PER THE TERMS AND CONDITIONS OF THE LEASE TO OWN AGREEMENT SHOULD LESSEE BE REQUIRED TO RETURN THE EQUIPMENT TO THE LESSOR, LESSEE SHALL RETURN THE EQUIPMENT TO LESSOR AT
30581 PARKWOOD ROAD MCLOUD OK, 74851

SCHEDULE C

TERM IN APPLICATION OF PARAGRAPH FOUR (4) THE LEASE TO OWN TERM IS TWENTY CALENDAR (20) MONTHS COMMENCING _____ AND TERMINATING _____ UNLESS OTHERWISE TERMINATED PER THE TERMS AND CONDITIONS OF THE LEASE.

SCHEDULE D

INITIAL SECURITY DEPOSIT IN THE AMOUNT OF \$2,000.00 REFUNDABLE AT THE END OF THE TERM OF THE AGREEMENT. FOR THE PURPOSE OF EQUIPMENT RENTAL AND PAYMENT AGAINST FUTURE OWNERSHIP - TWENTY (20) EQUAL PAYMENTS IN THE AMOUNT OF \$2,000.00 EACH, PAYABLE ON THE 1ST BUSINESS DAY OF EACH MONTH FOLLOWING RECEIPT OF WRITTEN INVOICE PROVIDED BY THE LESSOR. PAYMENTS ARE DEEMED IN DEFAULT IF NOT RECEIVED BY THE 5TH BUSINESS DAY OF EACH MONTH. A LATE FEE OF TEN PERCENT (10%) OF RENTAL PAYMENT WILL BE DUE IF NOT RECEIVED BY THE 5TH BUSINESS DAY OF EACH MONTH. LESSEE SHALL PAY THE FUEL EXPENSES, PERSONNEL AND ANY OTHER RELOCATION EXPENSES BACK TO LESSOR TO RELOCATE TRACTOR TO LESSEE AS MAY BE DEEMED NECESSARY UNDER THE TERMS AND CONDITIONS OF THE LEASE TO OWN AGREEMENT.

SCHEDULE E

MAINTENANCE AND SERVICE

LESSOR WILL PROVIDE AT NO COST TO THE LESSEE SERVICE AND MAINTENANCE LABOR FOR A PERIOD OF THIRTY-SIX MONTHS (36), ON EQUIPMENT. ALL PARTS AND FLUID COSTS WILL BE THE RESPONSIBILITY OF THE LESSEE. THIS DOES NOT CONSTITUTE GUARANTEE OR WARRANTY.

ACKNOWLEDGED FOR LESSOR BY: _____

ACKNOWLEDGED FOR LESSEE BY: _____

TRACTOR DELIVERY ACCEPTANCE

Attachment 1

THE LESSEE, INDIVIDUALLY OR, IF A CORPORATION, BY AND THROUGH ITS DULY APPOINTED OFFICER, EMPLOYEE, OR AGENT, HAS INSPECTED THE FOLLOWING TRACTOR:		
MANUFACTURER John Deere	MODEL 6210	SERIAL NO. L06210P274358
THE LESSEE HAS READ THE LEASE AND TOGETHER WITH ALL AVAILABLE PERTINENT MAINTENANCE HISTORICAL RECORDS, AND HAS TEST DRIVEN THE TRACTOR. THE LESSEE HEREBY ACCEPTS DELIVERY OF SAME AS EVIDENCED BY THE SIGNATURE BELOW GRANTS COMPLETE RELEASE AND/OR SETTLEMENT OF ALL CLAIMS OF ANY NATURE THAT MAY ARISE FROM THIS TRANSACTION AND HEREBY ACCEPTS THE TRACTOR IN ITS PRESENT CONDITION NO OTHER WARRANTIES APPLY.		

LESEE NAME	TITLE	DATE
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Shawnee Airport Authority

4.

Meeting Date: 06/01/2020

Rates

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Discussion and consideration of rental rates for Fiscal Year 2020-2021.

Fiscal Impact

Attachments

Memo



Date: May 22, 2020

To: Shawnee Airport Authority

The Honorable Richard Finley, Mayor

James Harrod, Vice Mayor

Ed Bolt, Commissioner

Ron Gillham, Commissioner

Darren Rutherford, Commissioner

Ben Salter, Commissioner

Mark Sehorn, Commissioner

From: Bonnie A. Wilson, CM Airport Manager

Subject: Discussion and Consideration of Fiscal 2021 Rental Rates

Nature of Requests:

Per the Airport Facilities Lease and Development Policy Statement (the Policy) staff is seeking authorization to implement a rental rate increase of 2.3% for all applicable leased properties.

Staff Analysis and Considerations:

The Policy establishes a standard annual rental rate increase based on the national rate of inflation as established by the Consumer Price Index (CPI) change from the prior calendar year. The Policy also establishes the commencement of the Fiscal Year as the date of application of new rates. The CPI based rate of inflation for Calendar Year 2019 is 2.3%. This percentage increase applied to the rates established by lease agreements with escalation clauses rounded to the nearest whole dollar amount will result in an annual rental income increase of \$2,549.04. The schedule of proposed Tie Down and Hangar rental rate increases are as follows:

Type of Lease	Current Monthly Rate	New Monthly Rate
Standard Tie Down Leases (1,000 SQFT)	\$76.00	\$78.00
Large Tie Down Lease (1,500 SQFT)	\$119.00	\$123.00
Standard Bulk Space (1,000 SQFT)	\$137.00	\$140.00
Standard T-Hangar (1,000 SQFT)	\$158.00	\$162.00
Large Bulk Hangar (1,500 SQFT)	\$153.00	\$157.00
Extended Bulk Hangar (2,000 SQFT)	\$190.00	\$195.00

Exceptions to this schedule include two T-Hangars currently offered at a reduced rate based on water intrusion, and three bulk spaces leased at a higher than standard rate at the time the Policy's adoption. The rate on these three spaces remains static until such time as annual adjustments create a rate equal or exceeding the current lease rate. The schedule of proposed rate increases for Storage Units within the T-Hangar complexes are as follows:

T-Hangar Storage Room	Current Monthly Rate	New Monthly Rate
South T-Hangars Unit 200	\$64.00	\$67.00
South T-Hangars Unit 219	\$64.00	\$67.00
North T-Hangars Unit 111	\$42.67	\$44.00

The schedule of proposed rate increases for Commercial Lease Agreements for Aviation Use properties are as follows:

Entity	Location Address	Current Monthly Rate	New Monthly Rate
Allied Asset Management	Hangar 100 (Commercial Box Hangar)	\$651.00	\$667.00
BUCO Aviation	Hangar 15 (Commercial)	\$342.00	\$350.00
	Office /T-Hangar (Commercial)	\$220.00	\$225.00
Martin Aircraft	Hangar 14 - 25% Interior Space (Commercial)	\$202.00	\$207.00
Pacific Air Holdings	Hangar No. 11 Land Lease (Commercial)	\$712.58	\$729.00

The schedule of proposed rate increases for Commercial Lease Agreements for Non- Aviation Use properties are as follows:

Entity	Location Address	Current Monthly Rate	New Monthly Rate
Incredible Inflatables	702 W. Independence (Buildings/Land)	\$1,000.00	\$1,023.00
Shawnee Pittstop	1502 N Airport Drive (Land)	\$617.83	\$632.00
Brown Derby	1830 N. Kickapoo (Land)	\$316.00	\$323.00
Janie's Snoballs	505 W. Saratoga (Land)	\$62.50	\$64.00

Recommendation

The Shawnee Airport Advisory Board directed staff to seek authorization to apply the terms and conditions of the Airport Facilities Lease and Development Policy to all lease agreements with an escalation clause increasing rental rates by 2.3% rounded to the nearest whole dollar amount.

Budget Consideration:

If all space remains occupied throughout the fiscal year, rental revenues will increase by \$2,549.04.

Shawnee Airport Authority

5.

Meeting Date: 06/01/2020

After-hour

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Discussion and consideration of implementing an after-hour service fee.

Fiscal Impact

Attachments

Memo



Date: May 22, 2020

To: Shawnee Airport Authority

The Honorable Richard Finley, Mayor
James Harrod, Vice Mayor
Ed Bolt, Commissioner
Ron Gillham, Commissioner
Darren Rutherford, Commissioner
Ben Salter, Commissioner
Mark Sehorn, Commissioner

From: Bonnie A. Wilson, CM Airport Manager

Subject: Discussion and Consideration of Implementing After-Hours Service
Fee

Nature of Request:

Authorize staff to implement and publish an After-Hours Service Fee for requests for line services outside normal business hours.

Staff Analysis and Considerations:

Staff routinely receives requests to provide line services outside of normal business hours (8:00 a.m. – 5:00 p.m. daily). The frequency of these requests has increased to the rate of approximately two, to three times per calendar month. Currently, the Shawnee Regional Airport does not impose a fee for these services.

The Office of the Secretary of Transportation (OST) and the Federal Aviation Administration (FAA) Rates and Charges Policy (61 Fed. Reg. 31994) requires that service rates, rentals, landing fees, and other charges that airports impose on aeronautical users for aeronautical use be fair and reasonable. The Rates and Charges Policy also states that airports must maintain a fee and rental structure that – in the circumstances of the airport – makes the airport as financially self-sustaining as possible.

Airport's may set fees by ordinance, statute, resolution, regulation, or agreement. Federal law does not require a single rate-setting approach. Accordingly, airports may use a residual, compensatory, hybrid, or any other rate-setting methodology so long as the methodology is consistent for similarly situated aeronautical users and conforms to the Rates and Charges Policy.

Per the FAA's Rates and Charges Policy, permitted Airfield Costs include: all operating and maintenance expenses directly and indirectly associated with providing airfield aeronautical facilities and services. Cost of direct personnel, maintenance, equipment, and utility costs, as well as indirect allocated costs such as police, fire/crash rescue, administrative and managerial overhead, roads and grounds, and utility infrastructure are also recoverable.

In compliance with the Rates and Charges Policy, staff worked with the City of Shawnee Finance Department to determine the estimated cost of providing After-Hours services. A rate of fifty-dollars (\$50.00) per hour was determined to be appropriate for Shawnee Regional Airport.

Staff then investigated published rates for the airports included in the annual rates and charges survey conducted by the Oklahoma University. The results indicate that only Max Westheimer OU Norman publishes rates on the internet. The other airports in the survey group either do not list a specific fee, or do not offer after-hours line services.

Recommendation

The Shawnee Airport Advisory Board directed staff to seek authorization to implement an after-hours service fee for line services provided outside normal business hours.

Budget Consideration:

Implementation of the fee will support personnel and equipment use costs currently incurred.

Shawnee Airport Authority

6.

Meeting Date: 06/01/2020

Non-commercial leases

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Discussion and consideration of Revised Standard Non-Commercial Hangar Lease Agreements and authorize Staff to execute Standard Non-Commercial Leases for Fiscal Year 2020-2021.

Fiscal Impact

Attachments

Memo



Date: May 22, 2020

To: Shawnee Airport Authority

The Honorable Richard Finley, Mayor
James Harrod, Vice Mayor
Ed Bolt, Commissioner
Ron Gillham, Commissioner
Darren Rutherford, Commissioner
Ben Salter, Commissioner
Mark Sehorn, Commissioner

From: Bonnie A. Wilson, CM Airport Manager

Subject: Discussion and Consideration of Adopting Revised Standard Non- Commercial
Hangar Lease Agreement Language; and Authorization to Execute Leases Fiscal Year 2021

Nature of Request:

Authorize staff to implement a revised standard non-commercial hangar lease language for leases commencing July 1, 2020; and authorize the City Manager to execute standard non-commercial leases throughout fiscal year 2021 as necessary.

Staff Analysis and Considerations:

Following the publication and implementation of the revised Shawnee Airport Authority Minimum Standards staff conducted a review of the existing standard hangar lease language to ensure concurrence. The standard language was revised and the proposed draft was shared for comment with the Airport Authority's insurance underwriter, the City Manager and City Attorney. The revised draft was shared with the members of the Airport Advisory Board (AAB) for their review and comment.

Recommendation:

The Shawnee Airport Advisory Board directed staff to present the revised final draft of the standard lease language to the Shawnee Airport Authority with a request to authorize the City Manager to execute standard hangar leases for the duration of City of Shawnee's Fiscal Year 2021. A copy of the proposed lease is attached for review and consideration.

Budget Consideration:

If applied, the revised lease language will have no impact on the budget.

HANGAR LEASE AGREEMENT

This Lease Agreement made and entered into on this _____ day of February, 2020, by and between the Shawnee Airport Authority on behalf of the City of Shawnee, Oklahoma, a Municipal Corporation, and together hereinafter called Lessor, and _____, hereinafter called Lessee,

WITNESSETH:

WHEREAS, the Lessor is the owner of certain real property commonly known as the Shawnee Regional Airport, located within the City of Shawnee, Pottawatomie County, Oklahoma; and

WHEREAS, the Lessee desires to lease from the Lessor a certain hangar commonly known as T-Hangar No. _____, for the storage of an airworthy aircraft of which Lessee is one of the following: (i) registered with the FAA as owner, (ii) co-owner or managing partner, (iii) a direct employee of the registered owner utilizing the aircraft as a means to fulfill employment responsibilities, (iv) third party manager, or (v) aircraft lessee; and which said hangar is owned by the Lessor and is constructed on said regional airport property.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. LEASE: The Lessor hereby leases, lets and demises to the Lessee, Hangar No. _____, constructed upon Shawnee Regional Airport primarily within the City of Shawnee, Oklahoma, consisting of one-thousand (1,000) square feet of usable space more or less.
2. TERM: The Lessor leases to the Lessee said hangar space for a term commencing on _____ day of _____ 2020 and terminating on the 30th day of June, 2021, unless sooner terminated in accordance with the provisions of this lease.
 - 2.1. After the initial term, the Lessee may renew the lease for additional, one (1) calendar year terms at the option of the Lessor under the following conditions:
 - 2.1.1. Lessee must be in compliance with the terms and conditions of the Lease as provided herein; and
 - 2.1.2. Lessee responds in the affirmative, via execution of a written offer to renew, provided by the Lessor prior to the end date of the initial term.
3. RENTAL: The Lessee hereby agrees to pay to the Lessor as rental for said Hangar No. _____ the sum of One-hundred-fifty-eight \$158.00 per month for a Standard T-Hangar with the first month's rent due and payable in advance of the date of commencement of this Lease.

3.1. Rent thereafter shall be due and payable on the first day of each month and shall be deemed late if not received by the tenth (10th) calendar day of each month. Lessee also agrees to pay a deposit in the amount of one-hundred-fifty-eight dollars (\$158.00) due and payable in advance of the date of commencement of this Lease.

3.1.1. If any monthly rental payment is not paid on or before the tenth day following the first day of each month, a late payment fee in the amount of one- and one-half percent (1.5%) will be applied to any overdue balances for charges assessed by the Shawnee Airport Authority.

3.1.2. It is understood and agreed by and between the Lessor and the Lessee that Lessee agrees to maintain a current status on rental of the, and for said Hangar No. _____ should Lessee fail to do so, and the account becomes sixty (60) business days delinquent, then the Lessor shall give the Lessee written notice, by certified mail, that the account must be brought current within ten (10) business days or said Lease may be terminated at the discretion of the Lessor. Should a second offense of sixty (60) calendar days delinquency occur within the term of this Lease, immediate termination of this Agreement shall result, and renewal options shall be forfeited.

3.2. It is specifically understood and agreed by and between the Lessor and the Lessee that the monthly rental for said hangar space shall be adjusted from time to time. The monthly rental shall be determined by the Lessor based upon the recommendations of the Airport Advisory Board, and approval of the Shawnee Airport Authority.

3.2.1. The Lessee hereby agrees to pay such adjusted monthly rental following notice of the adjusted rate from the Lessor.

4. AUTHORIZED USE OF LEASED PREMISES.

4.1. Said Hangar No. _____ is being leased to the Lessee for the storage of a _____ and its ancillary equipment.

4.2. Lessee may temporarily store a personal vehicle within the hangar while the aircraft is in active use for flight.

4.3. Lessee shall not keep firearms, fuel, explosives, or any noxious, dangerous substances within the hangar space.

4.4. Lessee shall not make any alterations, installations, attachments, or make any improvements to Hangar No. _____ except as authorized in writing by the Lessor.

4.5. Lessee shall be responsible for ensuring the doors on said Hangar No. _____ are always closed except during active ingress and egress, after which, doors shall be immediately closed. Lessee shall be solely responsible for: (i) securing Hangar No. _____; and (ii) shall provide and maintain security locks for Hangar No. _____; and (iii) shall provide either an access card,

combination code, or key to the Airport Manager.

5. INSPECTION: The Lessor retains the right to perform inspections of the Hangar No. _____ at irregular intervals.

- 5.1. Notice of proposed inspections will be provided to the Lessee to minimize disruption of activities within Hangar No. _____.

6. AIRCRAFT:

- 6.1. Lessee agrees to maintain said aircraft in an airworthy condition and to provide documentation indicating current airworthy status to the Airport Manager as requested.

6.1.1. Evidence of current airworthy status includes, but is not limited to signed, and dated evidence of an annual condition inspection undertaken by a Federal Aviation Administration Certified Airframe and Powerplant mechanic; or

6.1.2. In the case of aircraft operating under a Special Airworthiness Certificate, as required by the Federal Aviation Administration for amateur-built, kit-built, light-sport, vintage and other experimental type aircraft, a signed and dated certification from the registered owner is acceptable.

- 6.2. Any maintenance performed on the aircraft within Hangar No. _____ at the Shawnee Regional Airport is limited to the maintenance authorized to be performed by the aircraft owner or pilot in compliance with 14 CFR Appendix A to Part 43 "Major Alterations, Major Repairs, and Preventive Maintenance" and the Shawnee Regional Airport Minimum Standards, and as each may be amended from time to time.

- 6.3. Should Lessee desire to engage a commercial maintenance or repair service to undertake repairs or maintenance on the aircraft at the Shawnee Regional Airport, or within the Leased Premises, the service provider must be authorized to perform services at the Shawnee Regional Airport per the terms and conditions of the Shawnee Regional Airport Minimum Standards. The following provisions will also apply:

6.3.1. Lessee must provide notice to the Airport Manager of the proposed time, date, and estimated duration of commercial maintenance or repair services to be undertaken in any non-commercial hangar, prior to the commencement of such activities.

6.3.2. Commercial maintenance or repair service providers must be certificated by the Federal Aviation Administration to provide proposed services, and provide evidence of such certification to the Airport Manager.

6.3.3. Commercial maintenance or repair service providers must provide the Airport Manager with a copy of the service provider(s) certificate(s) of product completion and liability insurance in an amount not less than one-million dollars (\$1,000,000).

- 6.3.4. Per 14 CFR Chapter I [Docket No. FAA 2014-0463] Policy on the Non-Aeronautical Use of Airport Hangars Use of Aeronautical Land and Facilities, maintenance, repair, or refurbishment of aircraft, may not extend for an indefinite period of time.
- 6.3.4.1. Proposed maintenance, repairs or refurbishment must not hinder the airworthiness of the aircraft for more than sixty (60) calendar days without prior written permission from the Airport Manager.
- 6.3.4.2. Additional time for completion of maintenance, repairs or rehabilitation may be granted at the discretion of the Airport Manager in the form of written authorization establishing a schedule of work and date of completion.
- 6.4. Lessee agrees to register said aircraft with the Federal Aviation Administration, maintain said registration in a current status, and provide the airport manager with documentation of current registration as requested while storing the aircraft at the Shawnee Regional Airport.
- 6.5. In the event the Lessee disposes of or transfers title to the aircraft being stored in Hangar No. _____, Lessee has a duty to notify the Lessor immediately upon such transfer of title or the disposing of such aircraft.
- 6.5.1. Lessee will be provided with the opportunity to retain this lease by acquiring another aircraft, providing the Airport Manager with proof of purchase, a copy of an application for re-registration of the aircraft with the FAA, and all insurance certificates required by this lease within ninety (90) business days from the date of disposal or transfer of title of the aircraft governed by this lease.
- 6.5.1.1. Additional time to procure an aircraft may be granted by the Airport Manager following a written request from the Lessee, though retention of the lease may not be extended for an indefinite period of time.
- 6.5.2. Failure to provide notice of disposal of aircraft or transfer of title will result in termination of this lease.
7. UTILITIES: Lessee shall be responsible for the provision of any desired utilities to Hangar No. _____. If installation of utility service lines and or equipment are required to support the desired services, written approval from the Lessor will be required prior to installation.
8. LIMITATION OF LIABILITIES: The Lessee hereby agrees to provide at his or its sole expense a policy of liability insurance insuring both the Lessor and the Lessee from liability resulting from injury or death to persons or damage to property, the terms, limits and conditions of which shall be acceptable to the Lessor. The Lessee shall indemnify and hold harmless the Lessor for any injury or death to persons or damage to property as a result from third parties involved in the

care, maintenance, or use of the Lessee's aircraft and/or Leased Premises.

- 8.1. The Lessee, at Lessee's expense, shall obtain and maintain in continuous effect during the term of this Lease Agreement, insurance policies issued by an insurance carrier licensed to do business in the State of Oklahoma, providing for:

8.1.1. Aircraft Liability for any owned and operated aircraft.
Combined Single Limit Injury and Property Damage
\$1,000,000 each occurrence
\$100,000 per passenger/per seat bodily injury

8.1.2. Comprehensive General Liability and Property Damage
Combined Single Limit Bodily Injury & Property Damage
\$1,000,000 each occurrence

- 8.2. Said policies shall be endorsed that the Lessor is an additional insured. Copies of insurance certificates, amendments to policies, and renewal documents shall be provided to the Lessor at the following address:

Shawnee Regional Airport
2202 North Airport Drive
Shawnee, OK 74804

- 8.3. Said policy shall also provide that in the event of cancellation by the insurance company, the insurance company shall give the Lessor at least ten (10) business days written notice of intent to cancel.
- 8.4. If Lessee determines to cancel an active policy, Lessee must provide the Lessor at least ten (10) business days written notice of intent to cancel.
- 8.5. The Lessee hereby indemnifies the Lessor from any and all claims, demands, losses, actions, causes of action of any kind, arising out of the Lessee's use, occupancy, or rental of said hangar space. This indemnification covers all losses and expenses to the Lessor, including attorney fees and expenses to defend litigation.

9. COVENANTS OF LESSEE: Lessee expressly covenants that:

- 9.1. Lessee shall be liable for all damages which Lessee causes to the hangar, normal wear and use being excepted. Lessee shall not make any alterations, installations, attachments, or make any improvements to the hangar, except as authorized by the Lessor.
- 9.2. Lessee shall comply with city, county, state and federal laws and regulations, and the Minimum Standards and Requirements for Capital Development on Shawnee Regional Airport Property, Commercial Aeronautical Services Commercial on-Aeronautical Services and Non-Commercial Aeronautical Activities at the Shawnee Regional Airport ("Minimum Standards and Rules") and as amended from time to time, which are incorporated by reference into the Agreement.

- 9.3. Lessee shall not assign or sublet this Lease, or any Lessee's rights concerning this hangar space or any part thereof, or any interest therein.

10. TERMINATION:

- 10.1. It is understood and agreed by and between the Lessor and the Lessee that the payment of monthly rental, provision of required documentation, insurance and all other conditions imposed upon the Lessee are conditions, the violation of any one of which shall be grounds for terminating this Lease in the discretion of the Lessor.
- 10.2. In the event of such violation, the Lessor shall give the Lessee thirty days' notice in writing of the Lessor's intent to terminate this Lease provided, however, if such violation, in the opinion of the Lessor, constitutes a hazard to life or property the Lessor may immediately terminate this Lease Agreement and enter said Hangar and take whatever means are reasonable and necessary in the opinion of the Lessor to eliminate such hazard.
- 10.3. The Lessee shall have no absolute right to terminate this Lease Agreement prior to the expiration of the term of the Lease as provided for in numerical paragraph 2. TERM above. However, in the event unforeseen special circumstances arise, the Lessee may make written application to the Lessor not less than thirty days prior to a requested termination of this Lease Agreement. The Lessor in its sole, unrestricted discretion may approve or disapprove the request for early termination.

11. SURRENDER OF POSSESSION:

- 11.1. Upon the termination of this Lease Agreement, for any reason, Lessee shall immediately surrender possession of the premises to the Lessor. In the event that Lessee fails and refuses to immediately surrender possession, the Lessor shall have the right to commence a court action for the recovery of possession of the premises, for the recovery of all damages due, reasonable attorney's fees, and all court costs.
- 11.2. The Lessee hereby grants to the Lessor a lien on the Lessee's property in said hangar. Said lien is for the purpose of securing payment for all rental damages, and other costs due the Lessor from the Lessee pursuant to the terms of this Lease Agreement.

12. SUBORDINATION CLAUSES: This Agreement is subject and subordinate to the following:

- 12.1. The Lessor reserves the right to develop and improve the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance by or on behalf of Lessee, provided, Lessee is not deprived of the use of or access to the Leased Premises.
- 12.2. The Lessor reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure on the Airport which, in the opinion of the Lessor, would limit the usefulness of the

Airport or constitute a hazard to aircraft.

- 12.3. This Lease Agreement is and shall be subordinate to the provisions of existing and future agreements between the City of Shawnee, Oklahoma, and or the Shawnee Airport Authority and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of Federal funds for the benefit of the Airport.
- 12.4. During the time of war or national emergency, Lessor shall have the right to lease all or any part of the landing area or of the Airport to the United States for military or naval use, and if any such lease is executed, the provisions of this Lease Agreement insofar as they may be inconsistent with the provisions of such lease to the Government, shall be suspended, but such suspension shall not extend the term of this Agreement. Abatement of rentals shall be determined by the Lessor in proportion to the degree of interference with Lessee's use of the Leased Premises.
- 12.5. Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Lease Agreement shall grant to the Lessee any rights whatsoever in the airspace above the Leased Premises other than those rights where subject to Federal Aviation Administration rules, regulations and orders currently or subsequently effective.

13. GENERAL PROVISIONS.

- 13.1. Lessee shall not use, or permit the use of, the Leased Premises, or any part thereof, for any purpose or use other than those authorized by this Lease Agreement.
- 13.2. This Lease Agreement shall be performable and enforceable in Shawnee, Oklahoma and shall be construed in accordance with the laws of the State of Oklahoma.
- 13.3. This Lease Agreement is made for the sole and exclusive benefit of the Lessor and Lessee, their successors, and assigns, and is not made for the benefit of any third party
- 13.4. In the event of any ambiguity in any of the terms of this Lease Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.
- 13.5. All covenants, stipulations and agreements in this Lease Agreement shall extend to and bind each party hereto, its legal representatives, successors, and assigns.
- 13.6. The titles of the several sections of this Lease Agreement are inserted herein for convenience only, and are not intended and shall not be construed to affect in any manner the terms and provisions hereof, or the interpretation or construction thereof.
- 13.7. Nothing herein contained shall create or be construed to creating a co-partnership between the Lessor and the Lessee or to constitute the Lessee an agent of the Lessor.

The Lessor and the Lessee each expressly disclaim the existence of such a relationship between them.

14. ENTIRE AGREEMENT. This Lease Agreement consists of numerical Sections 1. to 14. and all subparagraphs, inclusive. It constitutes the entire Lease Agreement of the parties hereto and may not be changed, modified, discharged, or extended except by written instrument duly executed by the Lessor and Lessee. The parties agree that no representations or warranties shall be binding upon the Lessor or Lessee unless expressed in writing in this Lease Agreement. This Agreement shall be binding upon the executors, administrators, and successors of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures as follows:

LESSOR:

THE CITY OF SHAWNEE, OKLAHOMA,
A Municipal Corporation

By: _____
W. CHANCE ALLISON, CPA
CITY MANAGER

This _____ day of _____, 2020

ATTEST:

LISA LASYONE, CMC
CITY CLERK

LESSEE:

Printed Name: _____

Signature: _____

E-mail: _____

Address: _____

Telephone: _____