



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Rick Feltner, Airport Director

DATE: May 4, 2020

SUBJECT: CONCLUDE RELATIONSHIP WITH LESSEE FRED ANDERSEN MAY 31, 2020

I. RECOMMENDED ACTION

- A. City Staff recommends that the City Council authorize City Staff to proceed with marketing of property; and
- B. Direct City Staff to publish Request for Proposals (RFP) and new lease terms.

II. DEPARTMENT CONTACT PERSONS

Rick Feltner, Airport Director 857-4724

III. DESCRIPTION

- A. Background
Fred Andersen, also known as “Aviation Services”, currently leases real estate from the Minot International Airport (MOT). The City Council elected to terminate the month-to-month lease at their August 5th meeting, and the City Attorney’s office mailed notification of the City’s election to terminate the lease to Aviation Services on August 9th, 2019. The tenant will vacate the premises and has agreed to turn the hangar over to the City by May 31, 2020.
- B. Proposed Project
City Staff have drafted an RFP and corresponding lease terms for the premises in an effort to market the property.
- C. Consultant Selection
N/A

IV. IMPACT:

- A. Strategic Impact:
Approval to proceed with marketing the property would allow for new development of the premises at the updated ground rental rate of \$0.30/square foot. Additionally, having an active tenant with an approved aeronautical purpose will benefit the aviation community by generating ancillary revenue.
- B. Service/Delivery Impact:
N/A

C. Fiscal Impact:

The property is currently being rented at \$32.58/month, or \$0.11/square foot. The new rental rate as designated by the published Rates and Charges is \$0.30/square foot. The property is a total of 3,500 square feet, which will bring in \$1,050/year, or \$87.50/month.

V. ALTERNATIVES

Alt 1. The Council could reject the proposal which will result in a delay in further development and improvement of the property.

VI. TIME CONSTRAINTS

The present lease was terminated on August 5, 2019.

VII. LIST OF ATTACHMENTS

- A. Draft of RFP – Block 5, Lot 6
- B. Draft of new lease terms – Block 5, Lot 6
- C. Exhibit A – Block 5, Lot 6 Minot International Airport 2nd Addition Legal Description