



**TO:** Mayor Shaun Sipma  
Members of the City Council

**FROM:** Rick Feltner, Airport Director

**DATE:** July 6, 2020

**SUBJECT: ASSIGNMENT OF LEASE FROM DON BESSETTE AVIATION, INC. TO FLYING S REAL ESTATE, LLC. FOR LOT 6 BLOCK 9, MINOT INTERNATIONAL AIRPORT SECOND ADDITION**

**I. RECOMMENDED ACTION**

- A. Approve the assignment of a ground lease from Don Bessette Aviation, Inc. to Flying S Real Estate, LLC.; and
- B. Authorize the Mayor to sign any documentation necessary to complete the assignment.

**II. DEPARTMENT CONTACT PERSONS**

Rick Feltner, Airport Director 857-4724

**III. DESCRIPTION**

A. Background

Don Bessette Aviation, Inc. is requesting approval from the Minot City Council to assign a ground lease rent agreement for Lot 6 Block 9, Minot International Airport Second Addition, to Flying S Real Estate, LLC. Flying S Real Estate has a longstanding and great working relationship with several tenants of the general aviation community, including the Minot International Airport.

B. Proposed Project

Don Bessette Aviation, Inc. would like to transfer the current ground lease rent agreement to Flying S Real Estate. Paragraph 9 of the lease allows for the lease to be reassigned provided that the Minot City Council approves. Because of the longstanding relationship between the Minot Airport and Flying S Real Estate, LLC, city staff believes that Flying S Real Estate is qualified to assume the duties and responsibilities under the present lease.

C. Consultant Selection

N/A

**IV. IMPACT:**

A. Strategic Impact:

The ground lease will not expire until January 31, 2021, and contains language allowing the lessee to exercise the option to extend this lease once for an additional 5 years. I.e., this lease has the potential to bind the City until January 31, 2026.

B. Service/Delivery Impact:

The transfer of the lease will allow for the continuation of a positive longstanding relationship with a general aviation tenant that also maintains a positive working relationship with the general aviation community at the Minot Airport and surrounding community.

C. Fiscal Impact:

Monthly ground rent will remain the same at \$114.27/month, or \$1,371.24/year.

**V. ALTERNATIVES**

Alt 1. The Council could reject the request to transfer and direct City staff to maintain the current arrangement.

**VI. TIME CONSTRAINTS**

Council's approval of the recommendation will allow the lease, and the duties and responsibilities thereunder, to be transferred from Don Bessette Aviation, Inc. to Flying S Real Estate, LLC.

**VII. LIST OF ATTACHMENTS**

- A. Lease Agreement – Lot 6 Block 9
- B. Lease Transfer Request
- C. Consent to Assign Lease