



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

**FROM:** Rick Feltner, Airport Director

**DATE:** July 20, 2020

**SUBJECT: OFFER NEW LEASE TERMS TO ELMO CARLSON FOR LOT 1 BLOCK 5,  
MINOT INTERNATIONAL AIRPORT, SECOND ADDITION (FORMERLY LOT  
54, WESTSIDE DEVELOPMENT, MINOT INTERNATIONAL AIRPORT)**

**I. RECOMMENDED ACTION**

1. Approve new Ground Lease and Hangar Development Agreement with Elmo Carlson; and
2. Authorize the Mayor to sign any applicable documentation.

**II. DEPARTMENT CONTACT PERSONS**

Rick Feltner, Airport Director

857-4724

**III. DESCRIPTION**

A. Background

Elmo Carlson is currently in a holdover month-to-month ground lease agreement with the Minot International Airport (MOT), as it expired March 3, 2020. The renewal option of the original lease states, "...the Lessee has, and is hereby given, an option to renew a ground lease at the Minot International Airport for an additional 20 years under the terms and conditions set by the City Council at the time of renewal."

The proposed new ground lease and hangar development agreement will implement updated terms and conditions as well as a monthly rental rate that is in line with the approved Rates and Charges.

B. Proposed Project

City Staff recommends the option to renew the lease under the terms and conditions of the proposed new ground lease and hangar development agreement; and recommends that the City Council accept these terms and authorize the Mayor to enter into the ground lease agreement.

C. Consultant Selection

N/A

**IV. IMPACT:**

A. Strategic Impact:

N/A

B. Service/Delivery Impact:

The renewal 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:

The property is currently being rented at \$29.43/month, or \$353.16/year. The new rental rate as designated by the published Rates and Charges is \$0.26/square foot. The property is a total of 3,328 square feet, which will result in revenue of \$865.28/year, or \$72.11/month.

**V. ALTERNATIVES**

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

Alt. 2. The Council could suggest amendments to the proposed agreement.

**VI. TIME CONSTRAINTS**

Should the request not be approved, the tenant will continue to occupy the hangar at a lower rental rate with outdated terms and conditions.

**VII. LIST OF ATTACHMENTS**

- A. Original Lease – Lot 1, Block 5 (formerly Westside Lot 54)
- B. Proposed Ground Lease and Hangar Development Agreement
- C. Exhibit A – Lot 1, Block 5