

**MEETING DATE/TYPE:                      VOTING MEETING                      9-10-19**

**DEPARTMENT:      Airport**

**AGENDA ITEM:** Approval of Lease Amendment 2011-100A1 authorizing Guidance Helicopters Inc., a substantially equivalent leasehold area swap, to allow for an access road to the new Commercial Service passenger terminal at Prescott Regional Airport - Ernest A. Love Field.

**FUNDING SOURCE:** Airport Fund

**Approved By:** Michael Lamar, City Manager

### **Item Summary**

This Council item approves an amendment (A1) to the ground lease on City Contract 2011-100 with Guidance Helicopters Inc. With this amendment, the ground lease area diagram is revised to swap 2,260 sq. ft of leasehold (largely an area of decomposed granite/concrete) with an approximately equivalent area containing 12 vehicle parking spots. This will provide Guidance Helicopter desirable dedicated parking for their employees and customers, and allow the City to construct an access road to the new commercial passenger terminal.

### **Background**

On November 09, 2010 City Council approved a ground lease agreement with Guidance Helicopters Inc., effective on January 12, 2011. This 20-year agreement plus (three) five-year options to renew, included 0.185 acres of land at Prescott Regional Airport. The agreement did not include dedicated vehicle parking spaces at the airport.

In the Fall of 2018, the City initiated design of a 18,000 sq. ft replacement air passenger terminal. On December 18, 2018, City Council approved the 30% terminal schematic design plans, which included plans for an access roadway system. The plans showed an overlap of the new roadway over the largely undeveloped portion of the ground lease contained in City Contract 2011-100.

In subsequent communications with the City, Guidance Helicopters Inc., agreed to a substantially equivalent leasehold land swap for the impacted 2,260 sq. ft. This trade allows them desirable access to twelve (12) dedicated vehicle parking spaces needed for current and future operations.

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**Financial Impact**

There will be no financial impact for this Council item. Current lease payments will remain the same with Lessee receiving substantially a equivalent leasehold area containing 12 designated parking spaces.

**Attachments**

1. City Contract 2011-100A1

**Recommended Action: MOVE** to approve Lease Amendment 2011-100A1 authorizing Guidance Helicopters Inc., a substantially equivalent leasehold area swap, to allow for an access road to the new Commercial Service passenger terminal at Prescott Regional Airport - Ernest A. Love Field.