



Background Paper for Proposed Ordinance

COUNCIL MEETING DATE: June 27, 2022

TO: President Heather Graham and Members of City Council
CC: Nicholas A. Gradisar, Mayor
VIA: Marisa Stoller, City Clerk
FROM: Greg Pedroza, Director of Aviation
SUBJECT: AN ORDINANCE APPROVING A FIXED BASE OPERATOR GROUND LEASE AND OPERATING AGREEMENT BETWEEN THE CITY OF PUEBLO, A MUNICIPAL CORPORATION, AND FREEMAN HOLDINGS OF COLORADO, LLC, A LIMITED LIABILITY CORPORATION, RESCINDING ALL PREVIOUS AGREEMENTS WITH ROCKY MOUNTAIN FBO, LLC, AND AUTHORIZING THE MAYOR TO EXECUTE SAME

SUMMARY:

Attached is an Ordinance approving and authorizing the Mayor to sign a Fixed Base Operator Ground Lease and Operating Agreement with Freeman Holdings of Colorado, LLC, a limited liability corporation ("Freeman"), which also rescinds all previous agreements with Rocky Mountain FBO, LLC dba Flower ("Flower").

PREVIOUS COUNCIL ACTION:

City Council has approved previous lease and management agreements for Fixed Base Operators, most recently with Rocky Mountain FBO, LLC.

BACKGROUND

The City owns 31000 Bryan Circle, 30900 Bryan Circle, 525 Skyway Street, and the Fuel Farm at 415 Bell Street at the Pueblo Memorial Airport, which can all be leased out for Fixed Based Operator services. The facilities are currently being leased to Flower, but Flower wishes to sell and assign its interests in the properties to Freeman. To establish a clean record, and instead of assigning a number of documents from Flower to Freeman, the parties wish to enter into a new Ground Lease and Operating Agreement that incorporates all prior terms and establishes one agreement that will control.

FINANCIAL IMPLICATIONS:

The hangars, office spaces, and ramp will be rented at various rates and two percent (2%) of Freeman's gross revenues derived from its business activities conducted at Pueblo Memorial Airport will be paid to the City. The fuel farm tanks will also be leased and there will be commissions paid based on fuel delivered.

BOARD/COMMISSION RECOMMENDATION:

Not applicable to this Ordinance.

STAKEHOLDER PROCESS:

Not applicable to this Ordinance.

ALTERNATIVES:

If this Ordinance is not approved, the current leases will remain in effect.

RECOMMENDATION

It is the recommendation of the Department of Aviation that this Ordinance be approved.

Attachments:

Fixed Base Operator Ground Lease and Operating Agreement

ORDINANCE NO. 10220

AN ORDINANCE APPROVING A FIXED BASE OPERATOR GROUND LEASE AND OPERATING AGREEMENT BETWEEN THE CITY OF PUEBLO, A MUNICIPAL CORPORATION, AND FREEMAN HOLDINGS OF COLORADO, LLC, A LIMITED LIABILITY CORPORATION, RESCINDING ALL PREVIOUS AGREEMENTS WITH ROCKY MOUNTAIN FBO, LLC, AND AUTHORIZING THE MAYOR TO EXECUTE SAME

WHEREAS, the City of Pueblo is the owner and operator of the Pueblo Memorial Airport together with the land on which said Airport is situated; and

WHEREAS, Freeman Holdings of Colorado, LLC is desirous of leasing certain property for the purpose of a fixed base operation, where said property is owned by the City of Pueblo; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF PUEBLO, that:

SECTION 1.

A certain Fixed Base Operator Ground Lease and Operating Agreement (“Lease”), by and between the City of Pueblo, a Municipal Corporation, and Freeman Holdings of Colorado, LLC, a Limited Liability Company, and Rocky Mountain FBO, LLC, a Colorado Limited Liability Company, to lease space for a fixed base operation at the Pueblo Memorial Airport, a copy of which is attached hereto and made a part hereof by reference, after having been approved as to form by the City Attorney, is hereby approved.

SECTION 2.

The Mayor is hereby authorized to execute the Lease on behalf of the City of Pueblo, and the City Clerk shall affix the Seal of the City thereto and attest same.

SECTION 3.

The officers and staff of the City are authorized to perform any and all acts consistent with the intent of this Ordinance and the attached Lease to implement the terms and conditions described therein.

SECTION 4.

This Ordinance shall become effective on the date of final action by the Mayor and City Council.

Action by City Council:

Introduced and initial adoption of Ordinance by City Council on June 27, 2022.

Final adoption of Ordinance by City Council on July 11, 2022.



President of City Council

Action by the Mayor:

Approved on July 13, 2022.

Disapproved on _____ based on the following objections:



Mayor

Action by City Council After Disapproval by the Mayor:

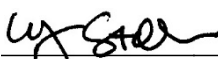
Council did not act to override the Mayor's veto.

Ordinance re-adopted on a vote of _____, on _____

Council action on _____ failed to override the Mayor's veto.

President of City Council

ATTEST



City Clerk