

Date: November 20, 2024

To: Mayor and Members of City Council

From: Sheryl M. M. Long, City Manager

202402392

Subject: EMERGENCY ORDINANCE – Lunken Airport Lease Areas 11, 28, and 29 (39th Parallel Leasing, LLC)

Attached is an emergency ordinance captioned as follows:

AUTHORIZING the City Manager to execute a Lease Agreement with 39th Parallel Leasing, LLC., pursuant to which the City will enter into a new lease for the use and occupancy of Lunken Airport Lease Areas 11, 28, and 29 for up to twenty years.

39th Parallel Leasing, LLC, has leased this area at Lunken Airport since 2007, the current lease expired, and they now wish to continue occupying the leased area with a new lease for 20 years to continue to operate their business.

39th Parallel Leasing, LLC is a tenant in good standing and has made several facility improvements through the years with plans to do more in the future as part of this lease. They are a long tenured entity with diverse business operations in both hangars. They operate the largest flight school at Lunken Airport by aircraft number, number of instructors and students. They also have a Maintenance, Repair and Overhaul business which focuses on popular General Aviation aircraft while providing co-op opportunities for students at local colleges. The hangars also serve as venues for weddings and non-profit events, which is great non-aeronautical exposure for Lunken Airport, while adding to their business diversity. 39th Parallel Leasing, LLC plans to continue to grow its fleet which will increase their revenue, thereby increasing revenue at Lunken Airport.

The initial term is 5 years, based upon fair market rate appraisal by the City's Real Estate Services Division and five 3-year renewal with CPI adjustments over the term of the lease.

The City Planning Commission approved the lease at its meeting on November 1, 2024.

The reason for the emergency is the immediate need to execute the Lease Agreement so the new Lease Agreement and rent amounts can begin as soon as possible to enable the Airport to receive the benefit at the earliest possible time.

The Administration recommends passage of the attached ordinance.

Attachment I – Lunken Airport Lease

cc: John S. Brazina, Director, Transportation and Engineering

John B