



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	
COUNCIL MEETING	09/18/07
APPROVED BY	
DEPARTMENT DIRECTOR	<i>[Signature]</i>
CITY MANAGER	

September 18, 2007

FROM: RUSSELL C. WIDMAR, AAE  
Director of Aviation

SUBJECT: ADD FOUR ONE-YEAR OPTIONS TO EXTEND THE TERM OF MEMLEY AVIATION'S LEASE OF THEIR FIXED BASE OPERATOR SITE AT FRESNO CHANDLER EXECUTIVE AIRPORT.

**KEY RESULT AREA**

One Fresno

**RECOMMENDATION**

That the Council approve the addition of four successive options in favor of Memley Aviation, Inc. to extend their Fixed Base Operator lease at Chandler, in one-year increments, with the rent subject to annual reviews and adjustments in accordance with the formula already provided in the lease.

**EXECUTIVE SUMMARY**

Memley has been a successful Fixed Base Operator at Chandler since April 1999, offering a pilot shop and lounge, flight instruction, aircraft rentals and aircraft charters in a piston engine light twin -- and selling aviation gasoline (avgas). Their original lease term was three years, with two one-year options to extend -- which were exercised. An Amendment No. 1 extended the term for three more years and provided a further two extension options of one year each -- the first of which was exercised and the second of which will be exercised to take the then-extended term to March 31, 2009. The recommended additional four one-year options would, if all were exercised, take the lease term to March 31, 2013. The rent (currently \$20,688.19 per year plus seven cents per gallon of aviation fuel sold) is subject to review and adjustment annually every April 1, and the fee on fuel sales is established by the Council in the Master Fee Schedule. There would be no impact to the General Fund.

**BACKGROUND**

Memley moved to Chandler from Sanger and extensively renovated the former US Weather Bureau building adjacent to Chandler's historic terminal building for their base of operations, also installing a double-walled, above-ground 10,000 gallon tank and dispensing pumps for avgas. Shortly, they will acquire use of a small (4 seats) super-quiet Eclipse 500 Very Light Jet (VLJ) for aircraft charters. To support it, they intend to install a 6,000 gallon, double-walled, above-ground storage tank and dispensing pump for jet fuel, which is not currently available at Chandler. Turbine-powered (jet) helicopters and fixed wing aircraft have had to "tanker" fuel through Chandler or land elsewhere for fuel. Memley's investment in the very latest VLJ and jet fueling facilities holds the promise of increasing business activity at Chandler.

**KEY OBJECTIVE BALANCE**

Fresnans will soon be able to charter a brand new VLJ from downtown Chandler, expanding local transportation choices and greatly expanding potential destinations (Customer Satisfaction), and facilitating local business activity (Employee Satisfaction and Financial Management).

**FISCAL IMPACT**

Since the Airports Department operates as a self-supporting enterprise, there would be no impact to the General Fund from this action.



FRESNO CHANDLER  
EXECUTIVE AIRPORT

EXHIBIT "A"