



City of McMinnville

AIRPORT COMMISSION MEETING

McMINNVILLE CIVIC HALL
200 NE Second Street

Tuesday, January 7, 2014
6:30 p.m.

Chair Jody Christensen

Commissioner Andy Benedict
Commissioner Doug Hurl
Commissioner Joe Mollahan

Commissioner Brad Berry
Vice-Chair John Lautenbach
Mayor Rick Olson

Welcome! All persons addressing the Airport Commission will please use the table at the front of the Board Room. If you desire to speak on any agenda item, please raise your hand to be recognized after the Chair calls the item. If you wish to address the Commission on any item not on the agenda, you may respond as the Chair calls for the *“Invitation to Citizens for Public Comment”* agenda item.

AGENDA

1. **CALL TO ORDER** (Chair Christensen)

2. **ELECTION OF OFFICERS** (All)

- Per Section 2.28.020(D) of the Airport Commission rules, at its first meeting each year, the Commission shall elect a chairperson and a vice chairperson.
- Commission Action Required: **By MOTION and VOTE, the Commission shall elect a Chair and Vice-Chair for calendar year 2014.**

3. **CONSIDER MINUTES OF THE NOVEMBER 5, 2013 AND DECEMBER 3, 2013 COMMISSION MEETINGS**

- Commission Action Required: **By MOTION and VOTE, the Commission shall approve the minutes from the November 5th and December 3rd meetings.**

4. **CIRRUS AVIATION LEASE EXTENSION REQUEST** (Mike Bisset)

- Consideration of the fixed base operation (FBO) lease extension request submitted by Cirrus Aviation.
- Commission Action Required: **By MOTION and VOTE, the Commission shall make a recommendation to the City Council regarding the lease extension request.**

5. ITEMS FROM STAFF

- A. Airport Manager's Report (Graham Goad)
- B. March Commission Meeting Date Change? (Mike Bisset)

6. ITEMS FROM COMMISSIONERS

- A. 2014 Commission Strategic Planning Discussion (Commissioner Christensen)
- B. Other Commissioner Communications (All)

7. INVITATION TO CITIZENS FOR PUBLIC COMMENT

- *This section of the agenda allows for citizens to address the Airport Commission regarding any issue not on the agenda. The Chair will also invite airport users and business owners to report on current activities at the airport. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up at a future meeting.*

8. ADJOURNMENT

NOTE: Staff has a conflict with the next scheduled Airport Commission meeting (March 4, 2014) and will be proposing to reschedule the meeting to a different date (see item 5B above).

AIRPORT COMMISSION MEETING

**Tuesday, January 7, 2014
6:30pm**

Agenda Item 3. **MINUTES OF THE NOVEMBER 5, 2013 AND DECEMBER 3,
2013 MEETINGS**

- Attachment 1: Proposed November 5th minutes.
- Attachment 2: Proposed December 3rd minutes.

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McMinnville Airport Commission Meeting Minutes

McMinnville Airport,
Civic Hall

Tuesday November 5th, 2013

1. The meeting was called to order at 6:30pm by Jody Christensen. Commissioners present were, Jody Christensen, Doug Hurl, John Lautenbach, Andy Benedict, Brad Berry, and Joe Mollahan. Others present were Mike Bisset, Rich Spofford (City of McMinnville) and Graham Goad (Airport Manager).

Jody Christensen asked for a moment of silence to observe the loss of Chip Yokelson, a local pilot who died in an airplane crash on Oct 28, 2013.

2. CONSIDER THE MINUTES OF JULY 30, 2013 MEETING

A motion was made to approve as written and all commissioners voted in favor.

3. AIRPORT FUND BUDGET UPDATE

Mike Bisset reviewed the Airport Budget.

Mike Bisset stated the FAA and ODA had recommended that runway 22-4 be rebuilt before work on the old apron areas was done. Rich Spofford stated he was starting to work with consultants on this project and looking at sources of funding the 10% match required for the project, including a potential Connect Oregon V grant.

Rich spoke of the Pilots lounge deck replacement project, he is putting together a Request For Quote (RFQ) at this time.

4. ITEMS FROM STAFF

Airport Manager, Graham Goad spoke of his meeting with the Cessna 180/185 club and their desire to have their 2014 conference at McMinnville, they expect 50 to 75 planes and up to 120 people visit during July 2014.

Graham said that noise complaints were lower but this was probably due to the late season and the lower amount of operations.

Graham told of his contact with the FAA and NTSB regarding an airplane accident in the city on 10-28-13.

Graham said the pavement maintenance had been completed by a private contractor under the ODA PMP, the work was done well and in a timely manner.

5. PUBLIC COMMENTS

Dave and Robbie Sturm of Cirrus Aviation presented a letter to the commission requesting a 20 year lease with two 5 year extension options, Robbie Sturm said they were requesting this to allow them to invest and expand their business. Mike Bisset said the staff would review the request and make recommendations to the commission. Jody Christensen asked the commission to meet on December 3rd, 2013 to consider the request.

Alan Zanuzoski spoke of the deck replacement at the pilots lounge and he felt it was not worth the expense, he responded to the airport managers comment about noise complaints and stated there were no noise regulations at the McMinnville airport. He felt the Chapter 11 update was not finished and there were more changes to make. He also asked why the city owned T hangars did not have electricity.

6. COMMISSIONER COMMENTS

There were no further comments from the commissioners

7. The meeting was adjourned at 7:39 pm.



McMinnville Airport Commission Meeting Minutes

McMinnville Airport,
Civic Hall
Tuesday December 3rd, 2013

1. The meeting was called to order at 6:30pm by Jody Christensen. Commissioners present were, Jody Christensen, Doug Hurl, John Lautenbach, Andy Benedict and Joe Mollahan. Others present were Mike Bisset, Rich Spofford (City of McMinnville) and Graham Goad (Airport Manager)

2. COMCAST LAND LEASE REQUEST

Rich Spofford reviewed the updated lease for Comcast. There were no comments from the commissioners or public. Commissioner John Lautenbach made a motion to approve the lease as written; the motion was seconded by Commissioner Andy Benedict. The motion was approved with all commissioners in favor.

3. CIRRUS AVIATION LEASE EXTENSION REQUEST

Mike Bisset reviewed the request and stated the city staff would recommended not to reopen the lease for negotiation at this time. Commissioner John Lautenbach asked if the FBO lease had always been 5 year terms, Mike Bisset answered that it had always been 5 years.

Much discussion ensued over the future of the FBO and the possibility of a new terminal building and whether the building might be built by a private operator or the city with help from grant funding. Other comments included whether the FBO service contract and the building lease should be separated in the future.

Cirrus Aviation stated they would like to remodel the west hangar but were not willing to invest without a longer lease, Commissioner John Lautenbach asked if improvements to the city owned hangars or buildings were the responsibility of the city or the lessee. Mike Bisset stated the city has put money into improvements in the past and has discussed this with Cirrus Aviation but the city would like to see a written plan in compliance with current building regulations.

After more discussion between the commissioners Jody Christensen asked for public comment. Comments were received from Dale Gunter and Scott Allen, airport users and from Dora Watson, employee of Cirrus Aviation and Carol Benedict.

Chair Jody Christensen asked the commission if it was an appropriate time to reopen the Cirrus Aviation lease for negotiation? Commissioner Doug Hurl made a motion to not reopen the lease for negotiation at this time, after some discussion between the commissioners there was no second to the motion.

Robbie Sturm of Cirrus Aviation stated she would withdraw the request and return in January with more information.

4. There were no more comments from the public
5. There were no more comments from the commissioners
6. The meeting was adjourned @ 7:39pm.

AIRPORT COMMISSION MEETING

Tuesday, January 7, 2014
6:30pm

Agenda Item 4. **CIRRUS AVIATION LEASE EXTENSION REQUEST**

Note that the following attachments are from the December 3, 2013 Commission meeting:

- Attachment 1: Staff Memo
- Attachment 2: Letter from Cirrus Aviation
- Attachment 3: Existing lease with Cirrus Aviation

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M E M O R A N D U M

DATE: December 3, 2013
TO: Airport Commission
FROM: Mike Bisset, Community Development Director
SUBJECT: **Fixed Base Operation (FBO) Lease**
Cirrus Aviation

Attached for the Commission's consideration is a request, dated November 5, 2013, from Cirrus Aviation to extend their current lease to operate a Fixed Base Operation (FBO) at the airport. As noted, they have asked to extend their existing lease (which expires June 30, 2016) for a twenty year period, with two additional 5-year extensions.

Also, attached is a copy of the current lease with Cirrus Aviation. The current lease was last extended by the City Council in June 2011. At that time, the City Council elected to remove the "Right to Renew" provision (section 3) from the lease.

The questions before the Commission at this point are:

- 1) Is an extension of the lease with Cirrus Aviation to operate a Fixed Base Operation (FBO) at the airport appropriate at this time?
- 2) If so, what is the appropriate length of the lease extension?

Staff would note that it would seem that when it is time to pursue a new FBO lease (i.e. once the existing lease ends), that perhaps there would be an opportunity to explore options regarding the FBO facility. Conceivably there is the potential that a FBO operator could construct a new facility as part of their lease. It is even possible that the FBO operator could sublease space in the new facility to other businesses (e.g. restaurants, car rentals, etc) to help finance the new facility.

It is also entirely possible that there is no viable business model to make that work, and that the FBO facility will need to be addressed outside the provisions of any FBO lease.

The "opportunity" to explore those options could be a reason to not extend the existing lease at this time. Ultimately, if a lease extension is granted then this "opportunity" cannot be explored until the end of the granted extension period.

If the Commission believes that a lease extension is appropriate, then there should be discussion regarding the appropriate length of the extension. Historically, the FBO lease has operated on a five year period, with the provision for extensions. Staff would caution that entering into a long term (e.g. 20-year) lease for the City owned facilities (FBO building and hangars) could effectively limit future Commission's and City Council's ability to appropriately manage the City owned facilities.

The Commission should consider the input from Cirrus Aviation regarding the lease extension request. Then the Commission should make a recommendation to the City Council regarding the request.



4000 SE Cirrus Ave. McMinnville OR 98128
Ph. 503 472-0558; Fax 503 472-0694

November 5, 2013

City of McMinnville
230 2nd St.
McMinnville, OR 97128

Dear Airport Commission,

We, Robbie and David Sturm of Cirrus Aviation, LLC, the Fixed Base Operation at McMinnville Municipal Airport wish to update the lease we have with the City of McMinnville.

The current lease is set to expire June 30, 2016. We desire, at this date, to update this lease to 20 years and 5 years renewable, plus 5 years renewable. This will give us the extended period to warrant expenditure of funds for expansion.

Best regards,

Handwritten signatures of Robbie Sturm and David Sturm in cursive script.

Robbie and David Sturm
Owners/Operators
Cirrus Aviation, LLC

LEASE EXTENSION

Effective July 1, 2006, the City of McMinnville, a municipal corporation of the State of Oregon (City), and Cirrus Aviation, LLC (Cirrus) entered into a five-year, renewable lease. Section 3 of that lease provides that, upon termination of the initial lease term, Cirrus has the right to "extend the lease for one additional five year term..., on the same terms and conditions as set forth... provided, however, that the monthly rent shall be increased at the beginning of the Extended term to reflect any increases in the fair market rental value of the premises...."

Cirrus has met all the requirements precedent to renewing the lease. By their signatures below, the City and Cirrus enter into an extension of the original lease for a period of five years, effective July 1, 2011 and terminating June 30, 2016. All terms and conditions of the original lease are to remain in full force and effect, except that:

1. Section 3, "Right to Renew" is not incorporated into this lease extension and
2. Section 2, "Rental Fee Schedule" is amended as follows:
 - a) "2006 – at the rate of \$700 per month" is amended to read "2011 – at the rate of \$794 per month"
 - b) The last sentence of the second paragraph, "This adjustment shall commence January 1, 2007," is amended to read "This adjustment shall commence January 1, 2012."

CITY OF McMINNVILLE

CIRRUS AVIATION, LLC



City Manager



Date: 6-28-11

Date: 6/27/2011

Approved as to Form:



City Attorney

LEASE

THIS AGREEMENT made and entered into this 1st day of July, 2006, by and between the City of McMinnville, a Municipal Corporation of the State of Oregon, acting by and through its Airport Commission, hereinafter called the Lessor, and Cirrus Aviation, hereinafter called the Lessee.

WITNESSETH

The Lessor hereby leases to Lessee the exclusive use of the East Hangar, Office building, and the West Hangar, including facilities for dispensing fuel, all situated on the McMinnville Airport property, approximately three miles east of McMinnville in Yamhill County, Oregon, for a term of five years (the initial term of lease) from the 1st day of July 2006 to and including the 30th day of June, 2011 and does hereby grant to Lessee the non-exclusive right and privilege to use the McMinnville Airport for any aeronautical purpose. In consideration thereof, Lessee expressly covenants and agrees:

1. **Purpose.** Upon the terms and conditions hereinafter set forth, the Lessor does hereby lease to Lessee the buildings and facilities listed above for the purpose of operating a Fixed Base Operation (FBO). Lessee understands that operating the FBO in a professional and courteous manner is an important and significant condition of this lease. The FBO, although operating as a private company, is portraying the image of the City of McMinnville to those who use the airport. Complaints received from users of the airport facilities will be considered during renewal of this lease.

2. **Rental Fee Schedule.** Lessee will pay to Lessor, for the premises, according to the following schedule, and on the first day of each month:

2006 - at the rate of \$700 per month

For the remainder of the lease, each year's monthly rental payment shall be adjusted on each January 1st by adding to the previous year's monthly payment a sum equal to the increase in the CPI-W cost of living index as computed for the Portland, Oregon Metropolitan Statistical Area by the U.S. Department of Labor for the 12-month period ending on the immediately preceding June 30th for each year of the lease. This adjustment shall commence January 1, 2007.

At the time this lease is entered into, no county taxes are assessed against the buildings. The rental fee has been calculated on that basis. Should Yamhill County assess taxes upon the buildings at any time in the future, lessee's monthly rental fee will be increased one-twelfth (1/12th) of the annual tax amount.

3. **Right to Renew.** Upon the termination of the initial lease term, Lessee shall have the right to extend the lease for one additional five-year term ("the Extended term), on the same terms and conditions as set forth herein, provided, however, that the monthly rent

shall be increased at the beginning of the Extended term to reflect any increases in the fair market rental value of the premises. If the parties do not agree upon the fair market value of the premises within sixty (60) days after the notice of election to renew, the rent shall be determined by a qualified independent property manager or realtor in the McMinnville, Oregon area, chosen by the Lessee from a list of not fewer than three such persons submitted by the Lessor. If Lessee does not make the choice within five (5) days after submission of the list, Lessor may do so. If Lessor does not submit such a list within ten (10) days after written request from Lessee to do so, Lessee may name such person. Within thirty (30) days after appointment, the person so designated shall return the decision which shall be final and binding upon both parties. Any costs for such proceedings shall be borne equally by both parties. Negotiations for the extension of the terms of this lease and rent shall commence not later than January 1, 2011. Lessee shall give notice of its intention to exercise this extension option in writing no earlier than July 1, 2010 and no later than January 1, 2011.

4. **Compliance With Law.** Lessee shall operate its business and conduct all flying upon, from, or to the airport in accordance with the laws, rules, and regulations of the United States of America and the State of Oregon. These laws, rules and regulations are incorporated into this lease by this reference.
5. **No Assignment of Lease.** Lessee shall not sell, assign, or transfer this lease to any other person or corporation without the prior written consent of the Lessor. Lessor shall not unreasonably withhold consent.
 - (a) In the event of a sale, assignment or transfer of the lease, Lessee shall provide Lessor with information as to the reasonableness of the transfer and as to the qualifications of the vendee, assignee, or transferee to operate such an FBO.
 - (b) No part of the leased premises may be assigned, mortgaged or subleased, nor may a right of use of any portion of the premises be conferred on any third person by any other means without the prior written consent of Lessor. Lessor shall not unreasonably withhold consent. Consent in one instance shall not prevent the provisions of this paragraph from applying to a subsequent instance.
 - (c) No consent to assignment shall require Lessor to release Lessee from Lessee's obligations to Lessor under this Lease.
6. **Holdover.** A holdover beyond the expiration of the term shall operate as an extension of this Lease from month to month on the same terms and conditions as herein provided, except duration and that the monthly rental shall be 110% of the amount of the monthly rental payment due and payable hereunder for the last full month of the Term. Such holdover term may be terminated at any time either by Lessor or Lessee by giving thirty (30) days notice to the other. At the expiration of the holdover, Lessee shall yield the premises to Lessor in as good order and repair as when delivered to the Lessee, ordinary wear and tear and damage by fire and extended coverage perils excepted.

7. **Pilot's Lounge.** The Lessor reserves the Pilot's Lounge located above the West Hangar for its own use and specifically excludes the Pilot's Lounge from the terms of this lease. Upon written request, Lessor may allow Lessee or another authorized group to use the Lounge from time to time. Lessee shall be responsible for locking and securing the Lounge after it has been used by Lessee or any other authorized group.
8. **Public Access to Airport.** It is further understood and agreed by and between the parties that the Lessee shall not restrict the Lessor or the general public from access to flight information instruments or other equipment, supplies or facilities necessary to the operation and utilization of the McMinnville Airport that are now or in the future may be within any building or structure leased under the terms of this agreement.
9. **Lessor's Obligations.** The following shall be the responsibility of the Lessor:
 - (a) Repair of sidewalks, driveways, service areas, curbs, parking areas, and areas used in common by Lessee and Lessor or tenants of other portions of the same building.
 - (b) Repair and maintenance, including painting of the exterior walls, roof, and exterior water, sewage, gas, and electrical services up to the point of entry to the leased premises.
 - (c) Repair of interior walls, ceilings, doors, windows, floors and floor coverings when such repairs are made necessary because of faulty construction or failure of the Lessor to keep the structure in proper repair.
 - (d) Repair of heating and air conditioning system other than routine maintenance unless caused by Lessee's failure to provide preventive maintenance.
 - (e) All repairs or restoration made necessary by fire or other peril which could be covered by a standard fire insurance policy with an extended coverage endorsement or by reason of war, or by earthquake or other natural casualty.
10. **Lessee's Obligations.** The following shall be the responsibility of the Lessee:
 - (a) Any interior decorating.
 - (b) All monthly or other regular charges for power, water and sewer and all other public utilities which shall be used in or charged against the leased premises.
 - (c) Any repairs necessitated by the negligence of Lessee, its agents, employees and invitees, except where the loss or damage could have been covered by a standard fire insurance policy with an extended coverage endorsement.

- (d) Routine maintenance of the heating and air conditioning system to include preventive maintenance.
 - (e) Any repairs or alterations required under Lessor's obligations to comply with laws and regulations as follows:
 - (i) In conformance with all applicable laws and regulations affecting the premises and the use, Lessee shall at Lessee's own expense, correct any failure of compliance created through Lessee's fault or by reason of Lessee's use. Lessee shall not otherwise be required to make expenditures to comply with any laws or regulations, and in no event shall Lessee be required to make any structural changes to effect such compliance.
 - (f) All other minor repairs to the premises including maintenance of the door opening and closing mechanisms, doors and windows. Lessee also shall replace window glass, light bulbs and tubes, and other consumable items as necessary.
 - (g) Provide monthly accounting of fuel sales and hangar rental revenue and expenses.
11. **Fuel Flowage Payment.** Lessee shall pay to the City a fuel flowage fee at the rate of three (3) cents per gallon on the first 100,000 gallons pumped each calendar year and at a rate of five (5) cents per gallon over that amount. Lessee shall pay this fee on a monthly basis and shall provide copies of fuel purchase receipts. Lessee may select the brand and supplier of the fuel sold.
12. **Fuel Dispensing Facility.** Lessee shall operate the fuel dispensing system on a regular basis in accordance with performance standards set by FAA Publication AC no. 150/5230-4, dated August 1982, entitled "Aircraft Fuel Storage, Handling, and Dispensing on Airports" (including Change 1 issued February 1986) and any subsequent amendments. Lessee acknowledges that regular and systematic use of the pumps, filters and seals is essential to the proper functioning of this fueling facility and quality of fuel pumped. A regular record shall be kept of the actions taken and the routine followed. In addition, Lessee is solely responsible for the testing and for the quality of the fuel sold. Failure to comply with the terms of this section shall be grounds for termination of the lease. The fuel dispensing tank facility is the property of the Lessor. Lessee shall not alter, make changes to the equipment or attach signs or decals to the facility without the prior written consent of the Lessor.
13. **Tie-downs.** Lessor grants to Lessee the right to collect and retain rents from the tie-downs presently in existence at the airport. Additional tie-downs may be installed by Lessee after obtaining written consent from Lessor. The rental rate for tie-downs shall be established from time to time between the parties and set forth in the minutes of the Lessor's regular commission meetings.

14. **Subleases.** In addition to the requirements of 5(b) of this lease, the Lessee shall advise and obtain the written consent of the Lessor of all proposed rentals to a sublessee which involve dangerous chemicals, explosives, or the performances of any activity which may create the danger of conflagration. All subleases shall be entered into with the authority to terminate immediately upon either Lessor or Lessee being notified of an activity in noncompliance with the UBC, UFC, or any other law.
- (a) A sublease to an aircraft painting business shall require that the sublessee carry property insurance in an additional amount equal to the replacement costs of the leased structure and liability insurance with a single limit amount limitation of not less than \$1,000,000. The City of McMinnville shall be a named insured in both policies and the insurer shall be required to give the Lessor not less than thirty (30) days notice of intent to cancel, modify or not renew the insurance. Failure to carry insurance, or cancellation or non-renewal of the insurance shall automatically void the sublease.
- (b) In addition, any sublease to an aircraft painting business or any other kind of activity which creates unique and unusual (whether by kind or degree) conditions shall require the sublessee to maintain, repair, and replace the heating, venting, and air conditioning or circulating systems as may be necessary for the safe operation of the business. The Lessor reserves the right to make regular inspections of any structure to ensure such duties are being performed. Failure to perform shall be grounds for termination of the sublease.
15. **Signs.** All signs and symbols placed in the windows or doors or elsewhere about the premises, on airport property or on public right-of-way adjacent to the airport property, or upon the exterior of the buildings, shall be subject to the prior approval of Lessor. In the event the Lessee places signs or symbols on the exterior of the buildings, in the windows, on doors, or elsewhere where they are visible from the street, and the signs are not acceptable to the Lessor, the Lessor may immediately demand removal of such signs or symbols. The refusal of the Lessee to comply with such demand within a period of twenty-four (24) hours will constitute breach of this lease, and entitle Lessor to immediately recover possession of the premises in the manner provided by law. Any signs so placed on the premises shall be so placed with the understanding and agreement that the Lessee will remove the same at termination of the tenancy herein created and repair any damage or injury to the premises caused thereby, and if not so removed by Lessee, then the Lessor may have the same removed at Lessee's expense. Lessee shall inform, monitor and enforce this section of the agreement with any sublessee. In installing any signs, the Lessee shall conform to all requirements of applicable laws and regulations and pay any applicable fees.
16. **Liability Insurance.** The Lessee shall at all times carry and maintain liability insurance with a company or companies acceptable to Lessor, providing coverage for (a) comprehensive general public liability and property damage insurance in respect of this Lease and the premises in the following amounts for any one accident or occurrence:

property damage not less than \$100,000 and personal injury or death not less than \$1,000,000; and (b) casualty insurance insuring Lessee against loss or damage to its equipment and other personal property in the premises by fire and all other claims, which may arise by the acts or negligence of the Lessee, its agents, officers, principals or employees, or by any means of transportation whatsoever, including owned, non-owned and hired automobiles. The policies described in sub-paragraph 16(a) shall name both Lessee and Lessor as insureds. Lessee shall furnish Lessor with proof of all such insurance at least annually and upon demand of the Lessor. Each policy shall provide that the policy may not be canceled, non-renewed, or modified without the company first giving the Lessor at least thirty (30) days notice.

17. **Accidents - Indemnity.** All personal property on the leased premises shall be at the risk of the Lessee. Lessor shall not be liable for any damage, either to person or property, sustained by the Lessee or others, caused by (a) any defects now on the premises or occurring in the future, or (b) the condition of any buildings hereafter erected or any part or appurtenance thereof becoming out of repair, (c) fire, or (d) bursting or leaking of water, gas, sewer, or steam pipes, or (e) any act or neglect of Lessee, its employees, sub-lessees, invitees, or other occupants of the buildings, or any other persons, or (f) the happening of any accident from any cause in or about said buildings. Lessee covenants to protect, save, and indemnify Lessor, its elected and appointed officials, employees, and agents while acting within the scope of their duties as such, from and against all claims, demands and causes of action of any kind or character, including the cost of defense thereof, attributable to the Lessee's employees, officers, principals, or agents or third parties, arising out of the premises or in any way resulting from the willful or negligent acts or omissions of the Lessee and/or its agents, employees, officers or principals.
18. **Recovery of Leased Premises.** If (a) Lessee fails to make payment of an installment or rent or other sum payable by Lessee pursuant to this Lease within ten (10) days of the date on which such payment is due, (b) Lessee defaults in the prompt or full performance of any other provision of this lease and fails to cure or reasonably commence the cure of such default within thirty (30) days after notice thereof, (c) the premises become vacant, or (d) the premises are damaged by reason of any willful act of the Lessee or its employees, officers, principals, or agents, then Lessor may give Lessee written notice of its intention to enter and repossess the premises, and Lessor lawfully may enter the premises or any part thereof and repossess the same, (with or without terminating this lease), expel Lessee and those claiming under and through Lessee, and remove Lessee's effects without being deemed guilty in any manner of trespassing. Additionally, if Lessor so elects, this lease shall terminate. Lessee agrees that in case Lessor elects to terminate this lease, Lessee will remain liable for indemnifying Lessor against all loss of rent which Lessor may incur by reason of such termination during the balance of the lease term; provided that, regardless of whether this lease shall have terminated, Lessor shall attempt to mitigate such loss by re-letting the premises, and such re-letting may be either in the name of Lessee or Lessor and may be for a period less than or more than the remainder of the term and at such rental and on such terms as Lessor is able to obtain.

19. **Lessee's Right of Cancellation.** In addition to any other remedies available to the Lessee, this lease shall be subject to cancellation by the Lessee should any one or more of the following occur:

- (a) Abandonment of Airport. The permanent abandonment of the airport as an operating airport by act or decision of the Lessor;
- (b) Supervening Event. The occurrence of any supervening event or act of God which precludes the Lessee, and any assigns of the Lessee, from the use of the property for the purposes stated herein or from the use of airport facilities. Neither Lessee nor Lessor shall have any liability under this paragraph for any supervening event or act of God under any theory on which recovery may be sought;
- (c) Lessor Breach of Lease. The breach by the Lessor of any of the covenants, terms or conditions of this lease and the failure to remedy such breach within a period of thirty (30) days after written notice from the Lessee of the occurrence of the breach;
- (d) Federal Government or Other Governmental Agency Control. The assumption by the federal government, or any other governmental agency, of the control of the airport or any portion thereof which would preclude the Lessee from operating under the terms of this lease for a period exceeding 10 days. Neither Lessor nor Lessee shall have any liability for loss of use occasioned by act of the federal government or any other government agency.
- (e) Lessee, its agents, principals, officers, and employees agree not to discriminate against any person or class of persons by reason of race, color, creed, or national origin in providing any services or in the use of any of its facilities provided for the public, in any manner prohibited by Part 15 of the Federal Air Regulations. Lessee further covenants that the Lessee shall not discriminate against any person on the grounds of race, color, creed, national origin, sex, age, religion, marital status, or disability and shall comply with the standard federal equal opportunity construction contract specifications in the Federal Executive Order 11246.
- (f) The Lessee, for itself, its representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that:
 - (i) No person on the grounds of race, color, creed, national origin, sex, age, religion, marital status or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
 - (ii) In the construction of any improvement on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, creed, national origin, age, sex, religion, marital status or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;
 - (iii) The Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal

Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

(g) That in the event of breach of any of the preceding nondiscrimination covenants, Lessor shall have the right to terminate this lease and to reenter and repossess the premises as if this lease had never been made or issued.

20. **Notice.** All notices and consents hereunder shall be given in writing, delivered in person or mailed by certified mail, postage paid, to the receiving party at its address below, or to such other address as the receiving party may notify the sender in writing.

Lessor: City of McMinnville
230 NE Second Street
McMinnville, OR 97128

Lessee: Cirrus Aviation
5000 Cirrus Ave
McMinnville, OR 97128

Notices and consents shall be deemed given upon personal delivery or, if mailed, upon deposit in the US Mail.

21. **Default.** A default shall occur if:

- (a) Lessee fails to make any payment of rent within ten days of the date due, or
- (b) Either party fails to perform any other obligation imposed by this contract and does not correct or commence correction of such failure within thirty days after receipt of written notice from the other party specifying the manner in which default has occurred, or
- (c) Lessee becomes insolvent, a receiver is appointed to take possession, Lessee makes an assignment for the benefit of creditors, or files a voluntary bankruptcy or is the subject of an involuntary petition in bankruptcy which is not dismissed within ninety days.

22. **Notices/Remedies.** In the event of any breach of this lease by Lessee, and in the further event Lessee shall fail to remedy any default by Lessee in this lease (other than for nonpayment of rent) within thirty (30) days of Lessor's written notice to Lessee of such default, and pursuant to section 18 of this lease, then Lessor, besides other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Lessee. Should

Lessor elect to re-enter, as herein provided, or should Lessor take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may either terminate this lease, relet the premises or any part thereof for such terms (which may be for a term less than or extending beyond the term of this lease) and at such rental or rentals and upon such other terms and conditions as Lessor, in the exercise of Lessor's sole discretion, may deem advisable with the right to make alterations and repairs to the premises. Upon each reletting (a) Lessee shall be immediately liable to pay to Lessor, in addition to any indebtedness other than rent due hereunder, the cost and expense of such reletting and of such alterations and repairs incurred by Lessor, and the amount, if any, by which the rent reserved in this lease for the period of such reletting (up to but not beyond the term of this lease) exceeds the amount agreed to be paid as rent for the premises for such period of relettings; or, (b) at the option of the Lessor, rents received by such Lessor from such reletting shall be applied: first, to the payment of any indebtedness, other than rent due hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such reletting and of such alterations and repairs; third, to the payment of rent due and payable hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. If Lessee has been credited with any rent to be received by such reletting under option (a), and such rent shall not be promptly paid to Lessor by the new tenant, or if such rentals received from such reletting under option (b) during any month are less than that to be paid during that month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor.

Entered into this 19 day of June, 2006.

IN WITNESS WHEREOF, the City Council of the City of McMinnville has caused these presents to be signed by the Mayor, and the Lessee has affixed his hand and seal thereto, all as of the day and year first above written.

THE CITY OF McMINNVILLE, LESSOR

By Edward J. Hornby Mayor

Approved as to Form:

By [Signature] City Attorney

Cirrus Aviation LLC, LESSEE

By Cara (Robin) Stearn President

By _____ Secretary

AIRPORT COMMISSION MEETING

Tuesday, January 7, 2014
6:30pm

Agenda Item 5B. **MARCH COMMISSION MEETING DATE CHANGE?**

- Staff has a conflict with the next scheduled Airport Commission meeting (March 4, 2014) and is proposing to the Commission that the meeting date be changed. Commissioners should bring their calendars to the January 7th meeting so that we can reach consensus on a revised meeting date.

Potential meeting dates include:

- Wednesday, February 12th
- Thursday, February 13th
- Monday, February 17th
- Wednesday, February 19th
- Monday, February 24th
- Wednesday, February 26th
- Thursday, February 27th
- Wednesday, March 12th
- Thursday, March 13th