



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #: 250808

Submitted Department/Preparer: Aviation

Revised 6/10/24

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in [Administrative Regulation \(AR\) 4-1](#).

### Executive Summary

Estimating revenue in the amount of \$0.00; and authorizing the Director of Aviation to execute a thirty (30) year lease agreement with two (2) ten (10) year renewal options with Airside Innovation Missouri, LLC for the purpose of developing property to include aprons, hangars, offices, fuel farm and vehicle parking at the Kansas City Downtown Airport.

### Discussion

Authorizing the City of Kansas City Missouri - Aviation Department to execute Contract No. 6224040031, a Ground Lease Agreement for an approximate twenty-one acres (914,760 SF) of land located at the Kansas City Downtown Airport (MKC). Airside Innovation Missouri, LLC will offer aviation services and lease space to users on the airfield operation of a general aviation hangar facility for Fixed Base Operation (FBO) and Maintenance Repair Operation (MRO), including charter flights, fueling of Jet A and Avgas, flight training services, and other aeronautical activities.

The Initial Term to be November 1, 2025 to October 31, 2026 and beginning November 1, 2025 Airside Innovation Missouri (AIM) will pay an annual rent rate of \$0.00 for the duration of the first four (4) years. During the second four (4) years of the Initial Term AIM will pay an estimated annual rent of \$192,099.60 [\$0.21 per square foot x 914,760 SF]. Beginning the 9th year of the Initial Term AIM shall pay an estimated annual rent of \$384,199.20 [\$0.42 per square foot x 914,760 SF]. Beginning the 10th year of the Initial Term AIM shall pay an estimated annual rent of \$457,380.00 [\$0.50 per square foot x 914,760 SF]. The ground rent shall then be increased by 2% per year from the beginning of eleventh year through to the end of thirtieth year. Total revenue over the life of the Initial Term is estimated at \$12,945,371.

### Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?  
Aviation Fund - 26-8300-620000-470640 Prop Rent-Aviation-Ground
3. How does the legislation affect the current fiscal year?  
\$0.00
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

Fiscal Year	Fiscal Year Period	# Months	Rent Amount
FY26	11/1/25-4/30/26	6	-
FY27	5/1/26-4/30/27	12	-
FY28	5/1/27-4/30/28	12	-
FY29	5/1/28-4/30/29	12	-
FY30	5/1/29-4/30/30	12	96,049.80
FY31	5/1/30-4/30/31	12	192,099.60
FY32	5/1/31-4/30/32	12	192,099.60
FY33	5/1/32-4/30/33	12	192,099.60
FY34	5/1/33-4/30/34	12	288,149.40
FY35	5/1/34-4/30/35	12	420,789.60
FY36	5/1/35-4/30/36	12	461,953.80
FY37	5/1/36-4/30/37	12	471,192.88
FY38	5/1/37-4/30/38	12	480,616.73
FY39	5/1/38-4/30/39	12	490,229.07
FY40	5/1/39-4/30/40	12	500,033.65
FY41	5/1/40-4/30/41	12	510,034.32
FY42	5/1/41-4/30/42	12	520,235.01
FY43	5/1/42-4/30/43	12	530,639.71
FY44	5/1/43-4/30/44	12	541,252.50
FY45	5/1/44-4/30/45	12	552,077.55
FY46	5/1/45-4/30/46	12	563,119.10
FY47	5/1/46-4/30/47	12	574,381.49
FY48	5/1/47-4/30/48	12	585,869.12
FY49	5/1/48-4/30/49	12	597,586.50
FY50	5/1/49-4/30/50	12	609,538.23
FY51	5/1/50-4/30/51	12	621,728.99
FY52	5/1/51-4/30/52	12	634,163.57
FY53	5/1/52-4/30/53	12	646,846.84
FY54	5/1/53-4/30/54	12	659,783.78
FY55	5/1/54-4/30/55	12	672,979.46
FY56	5/1/55-10/31/55	6	339,821.31
Total estimate revenue over Initial Term			12,945,371.22

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

Legislation will create an estimated recurring annual revenue of \$431,512.37

### Office of Management and Budget Review

(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☐ Yes ☒ No

2. This fund has a structural imbalance. ☐ Yes ☒ No
3. Account string has been verified/confirmed. ☒ Yes ☐ No

**Additional Discussion (if needed)**

N/A

### Citywide Business Plan (CWBP) Impact

1. View the [Adopted 2025-2029 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?  
Infrastructure and Accessibility (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):
  - ☒ Engage in thoughtful planning and redesign of existing road networks to ensure safety, access, and mobility of users of all ages and abilities.
  - ☒ Enhance the City's connectivity, resiliency, and equity through a better-connected multi-modal transportation system for all users.
  - ☐ Build on existing strengths while developing a comprehensive transportation plan for the future.
  - ☐ Develop environmentally sustainable infrastructure strategies that improve quality of life and foster economic growth.
  - ☐ Ensure adequate resources are provided for continued maintenance of existing infrastructure.
  - ☐ Focus on delivery of safe connections to schools.

### Prior Legislation

N/A

### Service Level Impacts

This contract supports the Aviation Department's goal to maximize use of all assets while providing efficient and satisfactory services and facilities for passengers and visitors.

### Other Impacts

1. What will be the potential health impacts to any affected groups?  
There are no known potential health impacts to any affected group.
2. How have those groups been engaged and involved in the development of this ordinance?  
N/A
3. How does this legislation contribute to a sustainable Kansas City?  
This Lease Agreement supports our to utilize assets to maximize revenue while providing customer services for passengers and visitors.
4. Does this legislation create or preserve new housing units?  
No (Press tab after selecting)

Click or tap here to enter text.

Click or tap here to enter text.

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

No - CREO's review is not applicable (Press tab after selecting)

Please provide reasoning why not:

Click or tap here to enter text.

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No(Press tab after selecting)

Click or tap here to enter text.

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?  
No(Press tab after selecting)