



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution # TMP-3232
Submitted Department/Preparer: Aviation

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

Authorizing a Lease Agreement with Southwest Airlines Company, Contract #6223020025 at Kansas City International Airport

Discussion

Authorizing Lease Agreement #6223020025 for Office/Warehouse Space at the MCI Air Cargo Center 1 Facility at Kansas City International Airport from August 1, 2023 to July 31, 2026, with the option to renew for one (1) additional two-year period.

The original Lease term began November 1, 1999 and ended December 31, 2022, it is currently in a Holdover period. The Southwest Airlines GSE (ground support equipment) Maintenance Site provides maintenance support services to a wide spectrum of Southwest Airlines ground support equipment and fleet vehicles at KCI.

With the new lease agreement beginning August 1, 2023, Southwest Airlines will pay the rental amount of \$105,361.47 for FY 24.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

Contract revenues from Southwest Airlines space rental

3. How does the legislation affect the current fiscal year?

Legislation will create a revenue estimate of \$105,361.47 for FY 24.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

Beginning August 1, 2024, the annual lease amount will increase 3% every August 1st through July 31, 2026. This legislation does include an option to extend two additional years which does also include a 3% increase on August 1st each year.

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

Legislation generates revenue per lease agreement with Southwest Airlines.

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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

Additional Discussion (if needed)

N/A

Citywide Business Plan (CWBP) Impact

View the [FY23 Citywide Business Plan](#)

Which CWBP goal is most impacted by this legislation?

Infrastructure and Accessibility (Press tab after selecting.)

Which objectives are impacted by this legislation (select all that apply):

- Enhance the City's connectivity, resiliency, and equity through a safe, efficient, convenient, inclusive, accessible, sustainable and better connected multi-modal transportation system
- Develop environmentally sound and sustainable infrastructure strategies that improve quality of life and foster economic growth
- Increase and support local workforce development and minority, women, and locally-owned businesses
- Engage in efforts to strategically invest in the City's infrastructure and explore emerging technologies

Prior Legislation

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



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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 goal to utilize assests to maximize revenue while providing customer services for passengers and visitors.

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

Yes

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

Yes