

Legislation Details (With Text)

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Title: Airport Fuel Farm Lease
Attachments:

Date	Ver.	Action By	Action	Result
5/30/2018	1	City Council Business Meeting	Approve	Pass

Airport Fuel Farm Lease

Action:

Approve a lease with Charlotte Fuel Facilities, LLC for a term of 25 years for the maintenance and operation of the aviation fuel farm located at Charlotte Douglas International Airport.

Staff Resource(s):

Brent Cagle, Aviation
Haley Gentry, Aviation

Explanation

- The airlines have requested a fueling consortium that allows for more direct involvement in the operation of the Airport's fuel delivery system. The fuel farm is comprised of 10 fuel tanks capable of storing 194,000 barrels of jet fuel.
- The fuel farm lease will provide contract enhancements to ensure risk and environmental protections.
- Charlotte Fuel Facilities, LLC will operate and maintain the fuel farm through a separate agreement with Aircraft Service Internal Group (recently acquired by Menzies Aviation), which is the current operation and maintenance provider for the fuel farm.
- The lease term is 25 years and includes the following payments to Aviation:
 - Ground rent in the amount of \$34,321.12 annually with adjustments every five years, and
 - Facility rent to recover Aviation's capital costs associated with current and future improvements to the fuel system. Facility rent is adjusted annually to incorporate current and future costs incurred by Aviation to improve the premises.