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COMMUNITY DEVELOPMENT

**Planning,
Zoning,
Building Safety,
Construction Inspection Services,
Public Health,
Housing Inspections,
Code Enforcement**

MEMORANDUM

To: Mayor and City Council Members
Cc: Gregg Mandsager, City Administrator
From: Dave Gobin, Director of Community Development
Date: September 28, 2016

Re: Airport Manager's Agreement - Muscatine Municipal Airport

INTRODUCTION: Attached to this memorandum, please find a copy of the proposed Airport Manager's Agreement with Carver Aero, Inc.

BACKGROUND: Over the last 30+ years, the City of Muscatine has engaged the services of a professional Airport Manager. The Manager's agreement provides for hours of operations, maintenance of the buildings and grounds, mowing, snow removal, insurance coverage and related management responsibilities as set out in the Agreement. The proposed Agreement has been reviewed with the current Manager (Carver Aero) and has been approved. The Airport Advisory Commission has discussed the current Managers' (Carver) performance and has unanimously recommended approval of a new Agreement, which will become effective upon approval by the city council and Carver Aero. The term of the Agreement will extend until June 30, 2030 with a provision that the Agreement will automatically extended for two (2) additional five (5) year periods and will be subject to an annual review by the Airport Advisory Commission each January.

RECOMMENDATION/RATIONALE: It is recommended that the City Council authorize the Mayor and City Clerk to execute the attached Airport Manager's Agreement with Carver Aero, Inc. for the period as set out in the attached Agreement.

BACKUP INFORMATION:

1. Proposed Airport manager's Agreement.

**"I remember Muscatine for its sunsets. I have never seen any
on either side of the ocean that equaled them" — Mark Twain**

**CITY OF MUSCATINE
AIRPORT MANAGER'S AGREEMENT**

This Agreement made and entered into this 20th day of October, 2016 by and between the City of Muscatine, Iowa, a municipal corporation and Carver Aero Inc.,

WITNESSETH:

WHEREAS, the City desires to contract with Carver Aero Inc., to manage and operate the Muscatine Municipal Airport for the period as set out herein, and

WHEREAS, Carver Aero Inc. desires to manage and operate said airport for said City;

NOW, THEREFORE, it is hereby understood and agreed by and between the parties hereto that:

- 1. Carver Aero Inc. be, and hereby is, designated the Manager of the Muscatine Municipal Airport for a period of time beginning October 20, 2016 and ending June 30, 2030 with the provision that this Agreement be automatically extended for two (2) additional five (5) year periods provided it is determined to be mutually beneficial to the City and Carver Aero Inc.**
- 2. Carver Aero Inc. shall identify a responsible person as company representative at the airport. A review of the terms of this Agreement and the duties and performance of the Airport Manager shall be held annually at the regular Airport Advisory Commission Meeting during January.**
- 3. The Airport Manager shall not be an employee of the City of Muscatine, but shall be an independent contractor in accordance with the provisions of this Agreement and shall report to the City Administrator (City's representative) or the Appropriate Designee.**
- 4. The duties of the Airport Manager shall be as follows, to wit:**
 - A. To supervise all activity at said Airport and to assume all responsibility for all activities thereon; to maintain such Airport records as may be required by the City of Muscatine, to make those records available to the City at reasonable times, and to provide the City with information as needed about the operation of the Airport; to enforce any rules or ordinances of said City relative to said Airport; to inspect and report any malfunctions to said City and any condition at such Airport which may require correction or alteration; to operate and/or properly inspect the Airport lighting, REIL, and PAPI systems; and to perform such other duties as may, from time to time, be assigned by the City of Muscatine or which**

may reasonably be required for the proper and safe operation of said Airport.

- B. Provide for the Airport Terminal Building to be open seven (7) days per week between the hours of 7:00 a.m. and 6:00 p.m., weather and conditions permitting, excepting designated City holidays.
 - C. The Airport Manager or his/her representative shall attend all regular monthly Airport Advisory Commission meetings unless excused by the Commission Chairman or City Representative to the Commission. The Airport Manager is required to attend a minimum of two-thirds (2/3) of all meetings in a calendar year.
4. The responsibility of repair and maintenance shall be divided between the City and the Airport Manager under the following terms and conditions:
- A. The City shall, at its expense, maintain and keep in good repair the Airport and the exteriors of all buildings (as shown in Exhibit A) and improvements located thereon (including, without limiting the generality of the foregoing, the runways, taxiways, aprons, roadways, REIL, PAPI, field lighting, plumbing, heating, electrical fixtures, and utility lines and connections) and shall provide all necessary paint, all without expense to the Airport Manager. The facilities shall be maintained in such a manner that they may be reasonably used for the purpose for which they were constructed.
 - B. The Airport Manager shall, at his expense, keep the Airport Terminal Building (T) per Exhibit A reasonably clean and orderly.
 - C. The Airport Manager shall as often as may be reasonably necessary remove weeds around all buildings and hard surfaces at the Airport.
 - D. The Airport Manager shall remove from runways and lighting system, taxiways, ramp, and hangar areas all snowfall up to and including six inches (6") which falls within twenty-four (24) hours. The City shall make all reasonable efforts to assist in the removal of snow in excess of six (6") that accumulates within any 24-hour period.
 - E. The City shall provide and maintain the equipment it deems necessary and proper to facilitate the removal of snow and ice. The City shall also pay, on a monthly basis, for the fuel used in said equipment which shall be obtained from records approved by the City, with such being identified by date, amount, and vehicle.

- F. The City will pay for all utilities, including electricity, gas, water, sewer, and refuse collection for all the building and facilities on the Airport, except the Maintenance Hangar (Building B), and Buildings E & F.
 - G. The Airport Manager shall make no alterations to any buildings or facilities at the Airport without the prior approval of the City.
 - H. The services performed by the Airport Manager under the terms and conditions hereof shall be to the standard that a reasonably prudent person would expect from a qualified Airport Manager.
5. The City of Muscatine will provide general liability insurance, and fire and theft on the buildings and grounds of the Airport in such amounts that the City carries for other municipal facilities. The Airport Manager shall carry the following insurance coverage for his operation, including all employees employed by him/her:
- A. Workers compensation insurance, including Employer's Liability and Occupation Disease covering all Iowa employees for statutory Iowa benefits who perform any of the obligations assumed by the Airport Manager under the Agreement. The policy will contain a broad form, all-states endorsement.
 - B. Comprehensive General Liability, including independent contractors, completed operations and products, contractual liability, broad form property damage, and personal injury. Coverage must meet the following limits. Deductibles on bodily injury are not acceptable:

Coverage

- Combined Bodily Injury, Death, or Property Damage - \$1,000,000 each occurrence and \$5,000,000 aggregate
- Umbrella Liability Coverage - \$5,000,000.00

The Airport Manager shall provide the City of Muscatine a certificate of insurance evidencing that such insurance has been furnished, and the same will not be cancelled without thirty (30) days notice to the City. During the term of this Agreement, the City will annually review the insurance limits to assure the limits are in accordance with City policy and reserves the right to request the Airport Manager to increase the above insurance limits provided thirty (30) days prior notice is given by the City.

6. The rental of the tee hangars are one (1) through twenty (20) located in Buildings H, I, and J will be the responsibility of the City; however, the Airport Manager will assist the City with the enforcement of the Rules and Regulations attached hereto as Exhibit D, and as amended from time to time, and with the provisions of the hangar lease agreement attached as Exhibit E. Hangar Buildings E & F are leased by Special Agreements with the City; however, the Airport Manager shall assist the City with the enforcement of the provisions of the Agreements as listed in Exhibit C.
7. As compensation for services to be rendered by Carver Aero Inc., the airport management services of the Muscatine Municipal Airport, the City shall pay the sum of \$46,500 per year for the next five years payable in equal monthly installments through the completion of this Agreement period. Negotiation for any alterations in this Agreement shall be undertaken no later than November 1 of each fiscal year beginning November 1, 2030.
8. The City reserves the right, but shall not be obligated to the Airport Manager to maintain and keep in repair, the landing area of the Airport and all publicly owned facilities of the Airport.
9. The City reserves the right to further develop or improve the landing areas and all publicly owned air navigation facilities of the Airport as it sees fit, regardless of the desires or views of the Airport Manager.
10. The City reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent the Airport Manager from erecting, or permitting to be erected, any building or other structure on the Airport, which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.
11. The City shall have the right to enter into an Agreement with the United State Government for military aircraft or naval use of part or all of the landing areas, the publicly owned air navigation facilities and/or other areas or facilities of the Airport. If any such Agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the Agreement with the government, shall be suspended.
12. This Agreement shall be subordinate to the provisions of any existing or future agreement between the City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been, or may be, required as a condition precedent to the expenditure of federal funds for the development of said Airport.

13. Right of Termination. The City may elect to terminate this Agreement for the default by the Airport Manager of the terms and conditions hereof on giving thirty (30) days written notice to the Airport Manager of the intention to terminate as follows:

A. The City shall give ten (10) days written notice to the Airport Manager of the default and if the default has not been corrected within twenty (20) days thereafter, this Agreement shall terminate at the option of the City.

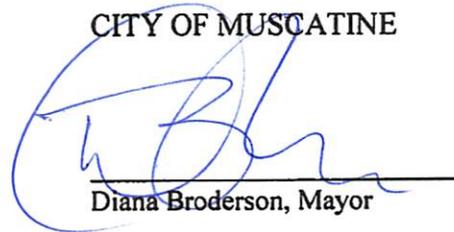
B. The adjudication of the Airport Manager as bankrupt, or the initiation of bankruptcy proceedings by the Airport Manager or its creditors without a subsequent dismissal thereof within thirty (30) days shall terminate this Agreement at the option of the City.

14. Non-waiver of Rights or Remedies. The failure of the City to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies that the City may have regarding that specific instance only, and shall not be deemed a waiver or any subsequent breach or default in any terms and conditions.

15. Notices. All notices to be given with respect to this document shall be in writing, shall be sent by certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing. Every notice shall be deemed to have been given at the time it shall be deposited in the United States mail in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of an original notice or other legal process.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their signatures the day and year first shown above.

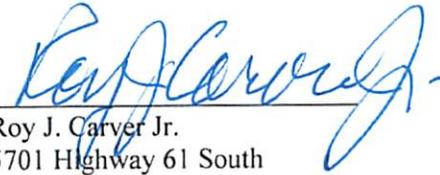
CITY OF MUSCATINE


Diana Broderson, Mayor




Gregg Mandsager, City Administrator

CARVER AERO INC.



Roy J. Carver Jr.
5701 Highway 61 South
Muscatine, Iowa 52761

APPROVED by the City Council this the 20th day of October, 2016.



Gregg Mandsager, City Clerk
City Hall
215 Sycamore Street
Muscatine, Iowa 52761

EXHIBIT A

1225200001

1225200001

1224400008

Box F

Box E

Box D

Box C

Box B

Box A

1225200015

1224400007