



**MEMORANDUM      Transportation & Development Department - Memo No. AP 11-32**

**DATE:**            JUNE 9, 2011  
**TO:**                MAYOR AND COUNCIL  
**THRU:**            RICH DLUGAS, CITY MANAGER *RD*  
                         PAT MCDERMOTT, ASSISTANT CITY MANAGER *PM*  
                         R. J. ZEDER, TRANSPORTATION & DEVELOPMENT DIRECTOR *RJZ*  
                         DANIEL W. COOK, TRANSPORTATION MANAGER *DWC*  
**FROM:**            GREG CHENOWETH, AIRPORT MANAGER *GC*  
**SUBJECT:**        AUTHORIZE THE MAYOR TO EXECUTE AN EXTENSION TO THE  
                         EXISTING NON-EXCLUSIVE LICENSE TO CONDUCT FUELING  
                         OPERATIONS WITH CHANDLER AIR SERVICE AT CHANDLER  
                         MUNICIPAL AIRPORT

RECOMMENDATION: Staff recommends Council authorize the Mayor to execute an extension to the existing Non-Exclusive License to Conduct Fueling Operations with Chandler Air Service at Chandler Municipal Airport.

BACKGROUND/ DISCUSSION: The City of Chandler granted a non-exclusive license to Chandler Air Service to conduct fueling operations on the Chandler Municipal Airport on June 2, 2005. The license will expire June 14, 2011. This fueling operation provides an essential service to tenants and users of the airport, and generates significant revenue to the airport.

The existing license allows for two, six-year extensions. This represents the first of those potential extensions. This first extension of the existing license will begin June 15, 2011 and continue until June 30, 2017.

FINANCIAL IMPLICATIONS: There are no new financial responsibilities associated with extending the current fueling license. The license extension would allow Chandler Air Service to continue commercial fuel sales. The airport would continue to receive fuel flowage fees on each gallon of fuel that is transferred. This resulted in revenues of approximately \$44,730 during FY 09/10 and projected revenue for FY 10/11 is approximately \$45,000.

PROPOSED MOTION: Move to authorize the Mayor to execute an extension to the existing Non-Exclusive License to Conduct Fueling Operations with Chandler Air Service at Chandler Municipal Airport.

Attachment: License Amendment

**EXTENSION OF LICENSE**

THIS EXTENSION OF LICENSE is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the CITY OF CHANDLER, an Arizona municipal corporation (“LICENSOR”), and CHANDLER AIR SERVICE, an Arizona corporation (“LICENSEE”), for the purpose of extending the term of that certain Non-exclusive License to Conduct Fueling Operations, dated June 2, 2005 (the “License”).

LICENSOR and LICENSEE agree to the following changes to the term of the License:

1. Section 1.0 of the License, the term of the License, is hereby modified in accordance with Section 15.0 of the License, to provide for a period of six (6) additional years beginning June 15, 2011 and expiring on June 30, 2017.
2. Section 15.0 of the License is hereby modified to provide for one, six (6) year extension.
3. All other terms of the License remain in effect.

LICENSOR:  
CITY OF CHANDLER, an Arizona  
municipal corporation

LESSEE:  
CHANDLER AIR SERVICE

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *GAB*