



**SPECIAL CALLED MEETING OF THE MADISONVILLE, KENTUCKY CITY COUNCIL
WEBEX, CISCO WEBEX ONLINE, MADISONVILLE, KY 42431**

September 25, 2020 at 9:00 AM

AGENDA

I. CALL TO ORDER

II. PUBLIC PORTION

1. Review & Approval of Airport Lease with KCTCS

Our Mission: To deliver the necessary government services to the citizens of Madisonville in the most effective and cost-efficient manner possible.

Our Core Values: Integrity, Professionalism, Excellence, Service, Commitment, and People



City Council
77 N. Main St.
Madisonville, KY 42431

SCHEDULED

Meeting: 09/25/20 09:00 AM
Department: City Clerk Department
Category: Agreement
Prepared By: Kim Blue
Initiator: Kim Blue
Sponsors:
DOC ID: 1787

ITEM FOR DISCUSSION (ID # 1787)

Review & Approval of Airport Lease with KCTCS

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM LEASE AGREEMENT

LEASE/PR NO.	PR-00431	COLLEGE	Madisonville Community College
INITIAL ENCUMBRANCE		CAMPUS	
ANNUAL ENCUMBRANCE	\$1	DATE	9/9/2020
VENDOR NO.		ACCOUNT NO.	

THIS LEASE, entered into between: the **City of Madisonville, 67 North Main Street, P. O. Box 705, Madisonville, Kentucky 42431**, and the **Madisonville Regional Airport Board**, hereinafter collectively called the “Lessor”, and the **KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**, hereinafter referred to as the “KCTCS”.

WITNESSETH, the City of Madisonville and the Madisonville Regional Airport Board own and operate the Madisonville Regional Airport, a general aviation airport located at 162 Airport Road, Anton, Kentucky; and

The Kentucky Community and Technical College System proposes to offer an aviation program to students attending Madisonville Community College and desire to utilize the Madisonville Regional Airport for such purposes; and

WHEREAS, the City of Madisonville recognizes the potential economic benefit to the Community and the Commonwealth of Kentucky associated with the programs being offered by KCTCS together with the increase in revenues to the Airport associated with the anticipated increase in fuel sales; and

WHEREAS, the City of Madisonville and the Airport Board are of the opinion that the execution of this Lease would be beneficial to and in the public interest;

NOW THEREFORE in consideration of the mutual promises and obligations of the parties set forth herein, the receipt and sufficiency of said consideration being hereby acknowledged, the parties with the intent to be legally bound agree as follows:

1. The Lessor does hereby lease, let and demise unto the KCTCS and agrees to keep KCTCS in quiet and peaceful possession of approximately **8,000** square feet of classroom and office space located in Hangar B at the Madisonville Regional Airport, together with the right to the shared use of the community hangar space in Hangar B,

hereinafter referred to as “the leased premises.” It is expressly agreed and understood that other aircraft owned by third parties may be located in the community hangar. KCTCS shall have sufficient space in the community hangar for at least ____ helicopters throughout the term of this Lease and any extension or renewal thereof. All occupants of the community hangar shall exercise due care in the movement and operation of their aircraft to minimize the risk of causing damage to persons or property having due regard to the rights of others utilizing the shared hangar space.

2. The City of Madisonville has incurred expenses in the approximate sum of \$48,000.00 in constructing classrooms, office space, restroom facilities and electrical upgrades to make the facilities available for use by KCTCS. KCTCS shall make an initial one-time payment to Lessor of \$48,000 for reimbursement of renovation costs. This payment shall be due and payable on or before _____, 2020. The KCTCS agrees to pay rent to the Lessor for the leases premises at a rate of \$1 per year. Lessor shall provide the KCTCS at no additional cost 20 parking spaces. The nominal rent provided for herein is consistent with the Department of Transportation, Federal Aviation Administration, Policy and Procedures concerning the use of airport facilities which permit below fair market value rental of airport property for community purposes that are compatible with the safe and efficient operation of the airport. Federal Register/Volume 64, No. 30 (February 16, 1999).

3. Subject to the limitations imposed by law and as provided in paragraphs 5 and 6 of this Lease, the term during which the Lease shall be effective shall begin **October 1, 2020** and end **June 30, 2021**.

4. The Lease shall be extended automatically upon the same terms and conditions herein for an additional one year term unless the KCTCS shall give the Lessor written notice **30** days prior to the expiration of the initial term that it will not be extended. The Lessor understands that the KCTCS’s funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made. This Agreement shall be modified and/or amended only by a written amendment and executed by both parties. At least 60 days prior to the expiration of the renewal term the parties will renegotiate in good faith for any additional extension of the lease term.

5. The KCTCS shall have the further right to terminate this Lease at any time with **30** days written notice, time to be computed from date of mailing notice; termination under this paragraph shall not be considered effective until the last day of the month in which the notice period ends.

6. The KCTCS agrees not to assign this Lease, or to sublet the premises except to a desirable tenant and for a similar purpose with Lessor’s consent, and will not permit the use of the premises by anyone other than the KCTCS sub-lessee, and the agents and servants of the KCTCS, or such sub-lessee.

7. The KCTCS shall have the right during the existence of this Lease to make non-structural alterations, attach fixtures and erect signs in or upon the leased premises, provided such alterations, additions, or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the premises are located or constitute a safety hazard. Fixtures, additions, or signs placed in or upon or attached to the premises shall remain the KCTCS's property and shall be removed by it prior to the termination of this Lease unless such removal would cause damage to the leased premises.

8. Unless otherwise specified, the Lessor shall maintain the premises in good repair and tenantable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the KCTCS's agents or employees. For the purpose of maintaining the premises and to make necessary repairs, the Lessor reserves the right to enter and inspect the premises at reasonable times.

9. The KCTCS agrees to take good care of the premises and to return them at the expiration of this Lease in as good order as received, ordinary wear and tear and natural decay excepted.

10. The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises. KCTCS will maintain contents insurance for all KCTCS owned equipment. KCTCS shall be responsible and liable for any damage to the hangar caused by its use including but not limited to bent or broken interior walls, damage to unsealed floors due to fuel, oil or other chemical spillage, doors damaged due to Lessee's improper or negligent operation. KCTCS shall obtain and maintain in full force and effect during the term of this Lease and any extension or renewal thereof public liability insurance of not less than \$1,000,000.00 per occurrence with a deductible of not more than \$1,000.00 issued by a reputable insurance company authorized to transact business in the Commonwealth of Kentucky and shall name the City of Madisonville and the Madisonville Airport Board, its agents, officers and employees as additional insureds thereon. KCTCS shall provide unto the Lessor a Certificate of Insurance showing the appropriate coverage and the named insureds. KCTCS agrees to indemnify and hold the City of Madisonville and the Airport Board, their agents and employees harmless from and against all liability and claims for damages by reason of the storage and maintenance of the aircraft in the exercise of the rights and privileges herein granted. The Lessor shall not be responsible for any damage to the aircraft stored in the hangar except for such damages as may be caused by movement of the aircraft by the Lessor's agents or employees.

11. If the premises are destroyed by fire or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the premises untenable, the KCTCS may terminate or suspend this Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and premises are considered tenantable.

12. It is agreed by the parties that if any one of the provisions of this Lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Lease, but it shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.

13. The Lessor certifies by the authorized signatures hereinafter affixed that they are legally entitled to enter into contracts with the Kentucky Community and Technical College System and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 – 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, nor will they or their agents realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that they have not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Agreement they will not be in violation of the campaign finance laws of the Commonwealth.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

CITY OF MADISONVILLE, KENTUCKY

By: _____
Kevin Cotton, Mayor

MADISONVILLE REGIONAL AIRPORT BOARD

By: _____
James L. Riddle, Chairperson

KCTCS OFFICE OF FACILITIES SUPPORT SERVICES

LESSEE

KCTCS CHANCELLOR

ADDRESS

VICE PRESIDENT FOR ADMINISTRATIVE SERVICES, KCTCS

ATTORNEY, KCTCS

____ APPROVED THIS ____ DAY
OF _____, 2020

When executed by the KCTCS Vice President of Finance, this instrument constitutes a finding and order, pursuant to KRS Chapters 45A and 56, that the leased property is needed for use by the Kentucky Community and Technical College System. All correspondence and inquiries regarding this Lease are to be directed to the KCTCS, Attn: Chris Brumett, 300 North Main Street, Versailles, KY 40383, phone 859/256-3224.

Attachment: 0925KCTCSLease.Airport (1787 : Review & Approval of Airport Lease with KCTCS)