

Legislation Text

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## **ITEM: 5.2**

Airport Park and Soccer Complex Lease Update

In 1982 the City of Blaine and Metropolitan Airport commission (MAC) entered into a lease agreement that allows the City to occupy and use 34 acres of MAC property along Radisson Road and 105<sup>th</sup> Avenue for recreational purposes. In 1985 the lease agreement was amended to add 14 more acres on the corner of Radisson Road and 105<sup>th</sup> Avenue for a softball complex and what is now Airport Park. In 2002, the area covered by the license agreement was modified slightly to accommodate the NSC constructing the Victory Links Golf Course and the multi-purpose/clubhouse facility on adjoining MAC property. The current Blaine/MAC lease agreement is for 49 acres of the soccer and softball complexes and the lease amount is \$600 per year.

However, in 2009 the Federal Aviation Administration (FAA) directed MAC to have all Reliever Airports generate enough revenue to become self supporting. The FAA approved MAC's plan to enter into long term market rate leases for a portion or all of the property that is Airport Park and the Blaine Soccer Complex. MAC informed City staff that they are seeking to re-lease the property and that the City would be in jeopardy of losing Airport Park and the Soccer Complex if a market rate lease agreement could not be reached between the City and MAC. Since 2009 some negotiations have been conducted with MAC with minimal results.

Previous discussions indicate that MAC is looking to raise the lease rate from the \$600.00 per year to the \$50,000 per year range. Knowing that the lease rate would need to be increased the City initiated the participant fee to be a funding source for the yet to be determined lease rate. Other items involved in the negotiations include improvement to a portion of Xylite Street, Utility payments on airport property, Fire Service to the Airport, and possible development of the corner of 105<sup>th</sup> and Radisson.

Just recently another option has surfaced and is being pursued by MAC. It is to wrap the Airport Park/Soccer Complex lease in with the National Sports Center's lease with MAC. That would result in the City of Blaine subleasing the 49 acres from the NSC. The City Council has indicated that they would prefer to do a direct lease with MAC it being simpler than a third party lease through the NSC.

Last week, City staff met with MAC and NSC representatives to engage in discussions on both options and to move forward on an agreement that is favorable to all parties. The meeting was productive and MAC is bringing the results back to their staff and possibly commission for further discussion. The City will await their response.

Information