



Request for Proposals (RFQ) For Fixed Base Operator (FBO)

Albert Lea Municipal Airport (AEL)

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City of Albert Lea

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General City & Airport Information

The City of Albert Lea, population 18,49, is a picturesque city in the heart of south central Minnesota, 90 miles south of the Minneapolis/St. Paul metro area. Known as the “Land Between the Lakes,” Albert Lea is built around a chain of lakes with Fountain Lake at the center. Located at the intersection of Interstate Highways 90 and 35, Albert Lea is the county seat of Freeborn County, population 30,515 and hosts regional events such as the Freeborn County Fair and the July Jamboree that includes the 3rd of July parade, fireworks, car show and Bayside Ski Club show. Additional events include the Eddie Cochran Weekend, Rock-N-Roll Lakes event, Big Island Rendezvous, The Big Freeze, and many other mini events throughout the year.

In addition to the annual events, the city offers more than 40 park and recreation areas, a vibrant downtown, strong educational system, community theater and family YMCA.

The Albert Lea Municipal Airport (AEL) is a City-owned public use airport located near the interchange of I-35 and I-90. It originated as a private field in the 1920s on the west side of the city. It moved to its current location, 400 Airport Road, in the 1950s.

The existing airfield consists of two asphalt runways, the northwest-southeast runway (17/35) is served by a parallel taxiway and the southwest-northeast runway (5/23). Runway 17/35 is 5,000 feet long by 100 feet wide, it has a GPS/LPV approach with weather minimums of 250 feet and 0.75-mile visibility as well as Very High Frequency Omnidirectional Range, Medium Intensity Runway Lights, Runway End Identifier Lights, and a precision approach path indicator. Runway 5/23 is 2,900 feet long by 75 feet wide, it has omni-directional approach lights, but no instrument approach, runway lighting or visual navigational aids.

Airport Infrastructure

This section provides a summary of the facilities at AEL. These structures provide support for maintenance, fueling, passenger and pilot transit, and other support activities.

A map of the airport has been included as Appendix A.

Apron

The apron at AEL is located on the east side of the airfield and supports a variety of uses, including the arrival/departure building, fixed-base operator (FBO), flight school, and the based aircraft located in the hangars. Seven itinerant aircraft tie-down spaces are on the western portion of the apron. These designated tie-downs are sized for ADG I aircraft although there is open space available in this area for ADG II parking. This section and the surrounding area were reconstructed in 2013. According to the 2019 PCI study, the two pavement sections making up the northern portion of the apron total 131,030 square feet and had PCI ratings of 97 (Portland Cement Concrete portion) and 81 (asphalt cement portion), equating to “Excellent” and “Very Good” pavement conditions. The 37,600-square-foot southern portion was repaved in 2022 with the crack sealing performed on the runways.

Arrival/Departure Building & Parking Lot

In 2018, construction of a new 4,500 square-foot arrival/departure (A/D) building was completed, it connects to an existing steel hangar measuring 80' by 80'. The facility features a flexible-use space with a passenger waiting area, vending room, pilots' lounge, shower, restrooms, and conference room. AEL has a single FBO that provides a variety of services to the traveling public including aviation fuel, aircraft rental, maintenance, restoration, and sales. In addition, the A/D building houses a local flight school.

Snow Removal Equipment (SRE)/Maintenance Building

AEL's SRE/maintenance building is approximately 40 feet by 90 feet and is located north of the A/D building on the easternmost taxilane near the T-hangars and several conventional hangars. This facility is used to store the Airport's maintenance equipment used for mowing and snow removal. A new 40 foot door replacing two 14 foot doors is scheduled to be installed in 2026.

Hangars

General aviation aircraft storage facilities include 24 T-hangar units and nine conventional hangars. The majority of these hangars are City-owned, with two privately owned. While the T-hangars and several of the conventional hangars are primarily located on a taxilane north of the A/D building, three conventional hangars are located near the A/D building.

Large Wooden Hangar

One of the conventional hangars is a 80' by 80' wooden hangar constructed in 1943. This hangar is primarily used for storing flight school aircraft. There is also a lean-to attached to this hangar with office space that was previously used by the flight school and FBO but is currently unoccupied. A second 80' by 80' conventional storage hangar with steel structure was constructed in 1972. This hangar provides storage for FBO aircraft and maintenance activities. The third conventional hangar located in the terminal area, built in the late 1980s, is located on the south side of the second hangar. This 100' by 100' hangar is also used for FBO aircraft storage.

Airport Electrical Vault

An airfield electrical vault houses all the controls for the airfield lighting system. AEL's electrical vault, which is adjacent to the rotating beacon, is northeast of the A/D building on the easternmost taxilane near the Airport's entrance drive.

Ground Access and Auto Parking

Automobile access to the airport is provided via County Road 22 (Bridge Avenue) and Airport Road. As part of the new A/D building project, the parking lot was reconstructed with a new layout during its a project in 2017-2018 to improve circulation and capacity. Currently, the new configuration offers 33 public parking spaces near the A/D building.

Fuel Facilities

AEL offers fuel for sale in the grades of Mogas (automotive), 100 Low Lead (LL) and Jet A. The Jet A system on the north side of the apron consists of two 6,000-gallon underground storage tanks. The 100 LL and Mogas fuel system located near the A/D building consists of two 10,000-gallon underground storage tanks

and was constructed in 1999. All fuel is provided by the FBO and is currently operated as a self-serve system. A new card reader system was installed in 2022.

Because the FBO operates the fuel system, per Minn. R. 7150.0445 a Class A/B underground storage tank operator certification must be obtained and monitoring must be provided.

Visual & Navigational Aids

As the airport sponsor, the City of Albert Lea is responsible for the navigational and visual aids.

Utilities

Water, sewer, gas, and Electric are available at the facility. Sewer and water are provided by the City of Albert Lea. Electricity is provided by Freeborn Mower. Gas service is provided by Minnesota Energy. Phone and internet service is currently provided by Metronet and garbage service is provided by Waste Management of Minnesota.

Stormwater drainage is primarily to the west and north.

Rental Car

The City maintains a former City vehicle (2003 Ford Explorer) for visiting pilots to use for short (15 miles or less and 4 hours) use by pilots. The airport supplies the fuel. Though mainly used by business travelers, because of the proximity of the mall and fast food restaurants, pilots like to fly to Albert Lea for lunch or dinner. The vehicle accrues about 5,000 miles per year.

Airport Personnel

The City has historically contracted daily airport maintenance and operations to a Fixed Based Operator (FBO). Jim Hanson has operated the FBO since 1991. Albert Lea Municipal Airport FBO's have historically provided airport services such as fueling, aircraft repair and maintenance, overnight aircraft storage, aircraft rental, and pilot instruction.

The City of Albert Lea sponsors the airport and operations are supported by a seven (7) member Airport Advisory Board. The Airport Advisory Board typically meets once a month and advises the City Council regarding airport operations, management, and improvements. The City Council makes final decisions for the airport based on the advice received from the Airport Advisory Board.

The current airport engineering consultant is Silas Parmar with Bolton & Menk, Inc. Bolton & Menk is under contract until October of 2028 to provide project and airport engineering services. The City of Albert Lea liaison between the FBO, Airport Board, and Bolton & Menk, Inc. is the Public Works Director & City Engineering, Steven Jahnke.

Airport Capital Improvements

The airport has been fortunate to have completed nearly a full replacement of the airport runways, taxiways, lights, and ramps over the past 15 years by utilizing State, Federal and City funds. Additionally,

a new arrival/departure building and parking lot was completed in 2018. The former arrival/departure building had not been updated since it's construction in the 1970s.

The current 5-year Capital Improvement Plan (CIP) has been included as Appendix B. As shown on the CIP, airport infrastructure improvements are funded primarily through Federal and State grant allocations or loans.

Proposals

The successful proposer will be awarded a Fixed Base Operator (FBO) contract and assume full responsibility for day-to-day operations at the Albert Lea Municipal Airport. General services anticipated to be provided by the FBO include, but are not limited to, regular on-site presence and availability, hospitality towards all visitors, ground/tie-down, repairs, maintenance, fueling, grass cutting, snow removal, and flight school and mechanic services. A full list of expected FBO services and requirements can be found in Section 4 of the Draft FBO Contract included as Appendix C.

The FBO, and all services to be provided, must be in compliance with Federal Aviation Administration (FAA) regulations and certifications. The successful proposer is also expected to follow all Federal, State, and local laws, regulations, and ordinances.

Proposals should take the form of a business plan and include the following information (in no particular order):

- Contact information including business entity description and jurisdiction.
- A narrative describing airport management history and experience.
- A list and description of relevant qualifications and certifications, including degrees and trainings.
- A minimum of three (3) professional references who can attest to airport management experience, knowledge of FAA rules and regulations, and overall capability.
- Demonstrate or document the ability to obtain insurance meeting the requirements of Section 7 of the Draft FBO Contract (Appendix C).
- Disclosure of any active or pending litigation (any confidential information should be marked as such).
- A service/operations plan including descriptions of all services to be provided and who specifically will be providing each service. Section 4 of the Draft FBO Contract (Appendix C) lists the required and optional services that are to be incorporated into that plan.
- Airport maintenance activities to be provided, including any maintenance activities expected to be performed by the City of Albert Lea.
- A financial plan, including a fuel pricing strategy, and any rent or fees proposed to be paid to, or by, the City of Albert Lea.
- A general plan for the next 3 years including airport promotion and development.
- **Include information on any services, operations, maintenance, payments, or any other items that deviate from the terms of the Draft FBO Contract (Appendix C).**
- **Include any other information deemed relevant.**

Submittal Instructions

Before final submittal, please review the entire Draft FBO Contract to ensure proposal completeness.

Please limit proposals to a total of 15 double-sided or 30 single-sided pages. Once finalized, submit a digital (PDF) copy via email to sjahnke@ci.albertlea.mn.us by **5:00pm, Friday, March 6, 2026**. Proposals received after the deadline will not be accepted.

Please direct any questions, or the scheduling of an optional airport walk-through, to:

Steven Jahnke
Director of Public Works & City Engineer
507-377-4326
sjahnke@ci.albertlea.mn.us

Evaluation & Scoring

Proposals will be evaluated and scored based on overall quality and the following criteria:

Scoring Criteria	Points
Experience & Overall Understanding	20
Qualifications, Certifications & References	10
Proposed Services/Operation Plan	40
Proposed Financial Plan	20
5 – 10 Year Plan	10
Total	100

Interviews will be scheduled with the top scorers and conducted with Steven Jahnke, Director of Public Works & City Engineering, City Staff and members of the Airport Advisory Board. Once selected and approved, FBO Contract negotiations will begin with the final candidate. The City of Albert Lea reserves the right to negotiate final contract terms. Pending successful negotiations, an FBO contract will be awarded.

The City also reserves the right to reject any and all proposals and to cancel this solicitation at any time. This RFQ is not a guarantee that the City will contract with any of the FBO candidates. The decision of whether or not to hire an FBO will be determined by what is in the best interest of the Airport and the City of Albert Lea.

Timeline (may be subject to change)

RFQ Posting:	Saturday, January 17, 2026
Optional Airport Walk-Through:	By Request (prior to February 6, 2026)
Proposals Due:	5pm, Friday, March 6, 2026
Evaluation & Scoring of Proposals:	March 2026
Interviews with Top Scorers:	April/May
Final Selection & FBO Contract Negotiations:	May 2026
FBO Contract Awarded:	June/July 2026

Appendix A – Airport Map

Appendix B – 5 Year Capital Improvement Plan (CIP)

ALBERT LEA MUNICIPAL AIRPORT (AEL)			FFY 2026 - 2030 CIP			Albert Lea						12/11/2025	DRAFT
State FY	Fed FY	Description	Funding %	Rates	Project Cost	Federal Entitlement Funding	Federal BIL Funding	Additional Federal Funding	State Funding	Local Funding	Federal Entitlement Balance	Federal BIL Balance	
FFY 2026								FFY 2026 ENTITLEMENT & BIL BALANCE				317,000.00	\$ 288,896.00
2027	2026	NPE REPAYMENT FROM HOUSTON COUNTY (FFY 26)	100%	0%	0%	\$ 150,000.00	\$ 150,000.00	- \$	- \$	- \$	467,000.00	\$ 288,896.00	
2027	2026	CITY OWNED T-HANGARS REPAIR (DOORS, ROOF, LIGHTING)	0%	60%	40%	\$ 200,000.00	\$ -	- \$	- \$ 120,000.00	\$ 80,000.00	467,000.00	\$ 288,896.00	
2027	2026	SRE BUILDING DOOR REPLACEMENT	0%	70%	30%	\$ 400,000.00	\$ -	- \$	- \$ 280,000.00	\$ 120,000.00	467,000.00	\$ 288,896.00	
FFY 2026 TOTALS				\$ 750,000.00		\$ -		\$ -		\$ 400,000.00		\$ 200,000.00	
FFY 2027								FFY 2027 ENTITLEMENT BALANCE				617,000.00	\$ 288,896.00
2028	2027	NPE REPAYMENT FROM HOUSTON COUNTY (FFY 27)	100%	0%	0%	\$ 133,000.00	\$ 133,000.00	- \$	- \$	- \$	750,000.00	\$ 288,896.00	
2028	2027	CITY OWNED T-HANGARS REPAIR (DOORS, ROOF, LIGHTING)	0%	60%	40%	\$ 200,000.00	\$ -	- \$	- \$ 120,000.00	\$ 80,000.00	750,000.00	\$ 288,896.00	
2028	2027	6 UNIT T-HANGAR (147' X 51') DESIGN & CNST. (FFY 27 AIP/BIL)	90%	5%	5%	\$ 1,301,150.00	\$ 750,000.00	\$ 288,896.00	\$ 132,139.00	\$ 65,057.50	65,057.50	\$ -	\$ -
FFY 2027 TOTALS				\$ 1,501,150.00		\$ 750,000.00		\$ 288,896.00		\$ 132,139.00		\$ 185,057.50	\$ 145,057.50
FFY 2028								FFY 2028 ENTITLEMENT BALANCE				150,000.00	\$ -
2029	2028	LAND ACQ. RWY 17/35 RPZ & CLEAR ZONE (PARCEL 19-15.69 AC/ PARCEL 22-10.10 AC) ENVIRONMENTAL ASSESSMENT (FFY 28)	90%	5%	5%	\$ 75,000.00	\$ 67,500.00	- \$	- \$	\$ 3,750.00	\$ 3,750.00	\$ 82,500.00	\$ -
FFY 2028 TOTALS				\$ 75,000.00		\$ 67,500.00		\$ -		\$ 3,750.00		\$ 3,750.00	
FFY 2029								FFY 2029 ENTITLEMENT BALANCE				232,500.00	\$ -
2030	2029	LAND ACQ. RWY 17 RPZ & CLEAR ZONE (PARCEL 19-15.69 AC/ PARCEL 22-10.10 AC) (FFY 29)	90%	5%	5%	\$ 500,000.00	\$ 232,500.00	- \$	\$ 217,500.00	\$ 25,000.00	\$ 25,000.00	\$ -	\$ -
2030	2029	RWY 17/35 RPZ & CLEAR ZONE OBSTRUCTION REMOVALS (FFY 29)	90%	5%	5%	\$ 50,000.00	\$ -	\$	\$ 45,000.00	\$ 2,500.00	\$ 2,500.00	\$ -	\$ -
FFY 2029 TOTALS				\$ 550,000.00		\$ 232,500.00		\$ -		\$ 262,500.00		\$ 27,500.00	\$ 27,500.00
FFY 2030								FFY 2030 ENTITLEMENT BALANCE				150,000.00	\$ -
2031	2030	RUNWAY 17/35 PVMT. MAINT. (CRACK REPAIR & SEAL COAT) (FFY 30)	90%	5%	5%	\$ 175,000.00	\$ 150,000.00	- \$	\$ 7,500.00	\$ 8,750.00	\$ 8,750.00	\$ -	\$ -
2031	2030	RUNWAY 5/23 PVMT. MAINT. (CRACK REPAIR & SEAL COAT) (FFY 30)	90%	5%	5%	\$ 100,000.00	\$ -	\$	\$ 90,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -
2029	2028	TAXIWAY A PVMT. MAINT. (CRACK REPAIR & SEAL COAT) (FFY 30)	90%	5%	5%	\$ 125,000.00	\$ -	\$	\$ 112,500.00	\$ 6,250.00	\$ 6,250.00	\$ -	\$ -
FFY 2030 TOTALS				\$ 400,000.00		\$ 150,000.00		\$ -		\$ 210,000.00		\$ 20,000.00	\$ 20,000.00

Appendix C – Draft FBO Contract

MANAGEMENT AGREEMENT ALBERT LEA MUNICIPAL AIRPORT

THIS AGREEMENT, made and entered into this ____ day of ____, 2026, by and between the City of Albert Lea, a Minnesota Municipal Corporation, Lessor (hereinafter the "City", and _____ of _____ a Minnesota Business Corporation, Lessee, (hereinafter the "Operator").

WITNESSETH:

WHEREAS, the City of Albert Lea owns the property described in attached Exhibit A, including all buildings shown in attached Exhibit B, for the maintenance and operation of a municipal airport; and

WHEREAS, the City and the Operator desire to enter into a contract in which the Operator shall manage and operate said airport and be charged with the promotion and servicing of community's aviation needs via the use of these facilities.

NOW THEREFORE, in consideration of the premises, and the conditions and covenants hereinafter set forth, the parties agree as follows:

1. **Term of Agreement; Renewals.** The terms of this Agreement shall be for thirty-six (36) months from the date hereof. Unless either party gives notice of termination of this Agreement, as hereinafter provided, this Agreement shall be automatically renewed on an annual basis at the expiration of the period herein specified.
2. **Compensation.** In consideration of the services to be provided by the Operator, the City agrees to pay the Operator monthly payments following the first City Council meeting of each month. The monthly payments shall be allocated as follows:

<u>First Year</u>	
Management	\$ _____
Snow Removal/Grounds Maintenance	\$ _____
<u>Second Year</u>	
Management	\$ _____
Snow Removal/Grounds Maintenance	\$ _____
<u>Third Year</u>	
Management	\$ _____
Snow Removal/Grounds Maintenance	\$ _____

3. **Additional Compensation.** The City agrees to allow Operator the right and privilege to use the Terminal Building (Building 3), Maintenance Hangar (Building 4), and Storage Hangar (Building 7), Large Wood Hangar (Building 2) and the "T" hangar storage areas noted on Exhibit C and D, during the term of this Agreement. Operator agrees use of the hangar is for aircraft storage and other items necessary for storage of aircraft(s). Use of the hangar for any other purpose is prohibited without prior written consent by City. This agreement expressly

excludes the use of the Old Wooden Hanger from this agreement. It is understood that the City reserves the right and intends to enter into a separate agreement with different parties for the use of said Old Wooden Hanger.

4. **Operator's Duties.** The Operator shall operate and manage the municipal airport in a reasonable and efficient manner and render fair and impartial service to members of the public desiring to use the facility for aviation purposes. The Operator's duties include:
 - a. The Operator shall maintain an area adequate and equipped for the purpose of pilot briefings, equipped with a private landline or telephone communication to the nearest Flight Service Station (FSS).
 - b. The Operator shall be responsible to operate a radio transmitter and receiver for ground to air communications with aircraft in the vicinity of the Albert Lea Airport during normal hours of operation. Operator shall monitor other equipment such as MNDOT owned automated Weather Observation Station (AWOS) which the City may provide for more efficient operation of the airport. Operator shall report outage.
 - c. The Operator shall be responsible for the actions of any persons on airport property, including without limitation agents and employees of the Operator, and members of the public operating or working upon said premises, except employees of the City. The Operator shall be responsible to report all violations of law to the proper authorities and to the Director of Public Works.
 - d. The Operator shall be in compliance with all applicable state and federal statutes, rules or regulations and keep the airport open, unless a NOTAM is issued by Operator indicating weather or other conditions render use of the airport as unsafe for aviation purposes.
 - e. The Operator shall keep and maintain order and lawful behavior and will insure the day-to-day maintenance of the facilities of the airport and render fair and impartial service so to insure full enjoyment and use of the airport facilities by the general public.
 - f. The Operator shall advise the Director of Public Works of any individuals, corporations, partnerships or associations using the airport.
 - g. The Operator shall report to Albert Lea Law Enforcement and the Director of Public Works any violations of local, state, or federal statutes, ordinances, rules or regulations.
 - h. The Operator shall inspect the airport periodically to determine conditions thereof, and advise the City of needed repairs.
 - i. The operator shall immediately report to the Director of Public Works any

hazardous condition(s) existing at the airport and take immediate steps to warn and protect the public against such hazards.

- j. The Operator shall report in writing to the Director of Public Works on or before June 1st of each year any improvements or repairs to the airport facilities which are necessary or recommended to improve airport safety or to accommodate increased use of the facilities.
- k. The Operator shall submit to the Director of Public Works a written report by January 5th of each year describing the mode and method of operations, fee charges for ordinary services provided, the volume of business of the preceding year, and efforts undertaken by Operator to promote the use of the airport facilities, including any other information requested by the City or needed to facilitate understanding of airport operations.
- l. The Operator shall keep and maintain adequate financial records and reports of the business operation and make such reports and records readily available for inspection by the City Manager and the Albert Lea City Council upon request.
- m. The Operator shall mow grass from area adjacent to runways, taxiways, hangars and other buildings. The Operator shall file with the Director of Public Works for review and approval, a maintenance plan specifying mowing priorities and standard grass height in various use areas.
- n. The Operator shall plow and remove snow from the runways, entrance road, taxiways, ramp, parking lot, walk ways, including walks providing access to the street automobile parking lot, in front of doors, and all other public areas within 24 hours of snowfall.
- o. The Operator shall employ a person on a one-half time basis to maintain the grounds and runways.
- p. The Albert Lea Municipal Airport receives funds through MNDOT for costs associated with airport maintenance and operations, the grant reimburses the City of Albert Lea seventy five percent (75%) of the eligible costs. In 2025 several changes were implemented for this Maintenance & Operation Grant, effective January 1, 2026, MNDOT will require a maintenance log that will need to be submitted with grant reimbursement requests, also known as credit applications. The Airport Manager will be responsible for logging the airport maintenance and operations, and must submit a copy to the Engineering Department quarterly for the City's quarterly credit application submittals for reimbursement.

5. **Public Services.** The Operator shall provide, in addition to the above listed services or other services provided within this Agreement, the following minimum service to the public:

- a. The Operator shall furnish and maintain clean waiting room facilities, toilets, and public areas.

- b. The Operator shall make available and furnish fuel, oil and hanger services seven (7) days per week (Sunday through Saturday) from 8:00 a.m. to 5:00 p.m., subject to weather conditions. Such services shall be available at all other hours if party requesting such services provides a 24-hour notice to Operator. Towing and fueling airplanes shall be available Sunday through Saturday.
- c. Flammable materials, liquids or fuels shall be stored only in approved containers and within cabinets specifically designed for flammable storage when required.
- d. The Operator will furnish and make available jet fuel and 100 octane fuel. If auto fuel is obtainable at competitive prices, Operator will furnish and make auto fuel available. The Operator is expressly entitled to make a reasonable profit on the sale of these fuels, subject to approval by the City of the amount of markup over price paid by operator. The maximum approved markup shall be reviewed and agreed to on an annual basis. In the absence of agreement, the City reserves the right to set the maximum rate.
- e. The Operator shall make available at the airport licensed mechanic services, either by contract or by direct employment, on a regular and posted schedule, and such mechanic services shall be available on an emergency call basis.
- f. The Operator shall provide a referral service for commercial charter service with sufficient modern equipment to make charter flights available to the general public.
- g. The Operator shall arrange for student training and flight instruction services to be available with satisfactory and qualified instructors so that the general public may obtain training as required to qualify for a pilot's license. Operator agrees to work cooperatively with, advise, and assist with facilitating programs provided by flight school operators as necessary to promote and ensure continued use of the airport facilities.
- h. The Operator shall be responsible for issuing and collecting the proper documentation for the use of the courtesy vehicle when one becomes available as outlined in Exhibit G.

6. **Airport facilities.** The Operator shall have the right to use the buildings and facilities designated on attached Exhibit A, subject to the right of the City, its officers, employees, or agents, to enter upon the premises at any reasonable time for the purpose of inspection or maintenance necessary to protect the City's interests in the property and to fulfill the City's obligations hereunder. The Operator shall be responsible for all repairs, painting, and maintenance inside of the buildings and structures designated for his use and shall keep said buildings in good repair and in neat, clean, sanitary, and safe condition. The Operator shall be responsible for, maintenance of electrical, heating, plumbing and water within the facilities.

7. **Insurance.** The Operator and the Operator's contractors or direct employees shall at all

times during the term of this Agreement carry public liability and property damage insurance with the company authorized to do business in the State of Minnesota, insuring the Operator and the City as the insured therein against any and all loss or claims arising out of the operation of the Operator's businesses on the airport premises or any act or admission of the Operator, its agents, servants, employees, or invitees. Certificates of Insurance indicating such coverage shall be filed with the City and shall provide that no cancellation thereof shall be permitted without thirty (30) days prior notice thereof given to the City. Said policies of insurance shall be in the following amounts, to-wit:

- a. Comprehensive general liability insurance protecting City against any and all liability by reason of the Operator's and/or the Operators contracted or direct employees conduct incident to the use of the premises or resulting from any accident occurring on or about the roads, driveways, parking areas, runways, taxiways, or other places used by the FBO at the Airport, caused by or arising out of any wrongful act or omission of FBO, in the amount required by Minn. Stat. 466.04. The City shall be named as an additional insured.
- b. Hangar keeper's liability insurance in the minimum amount of \$1,500,000.00.
- c. Product liability insurance in the minimum amount of \$1,500,000.00.
- d. Fire and extended coverage insurance on all fixed improvements erected by the Operator on or in the premises to the full insurable value thereof.
- e. Workers Compensation Insurance as required by State law.

The Operator shall annually supply a Certificate of Insurance to the City showing the limits and period of the insurance. The Certificate shall name the City as an additional insured and contain a binding statement that, the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days written advance notice thereof to the City. If at any time any of the policies shall be or become unsatisfactory to the City, the Operator shall promptly obtain a new and satisfactory policy in replacement. The Operator shall furnish copies of these policies to the City Manager's Office when they are received by the Operator. The required amounts of insurance are subject to ensure the liability amounts comply with Minn. Stat. 466.04.

Operator shall be solely responsible for any damage to airport facilities, including any fueling systems, if damage is caused by Operator, or by Operator's contractors or direct employees.

7. **Indemnification.** The Operator agrees to indemnify, defend, and hold harmless the City, its officers, employees, contractors and agents, from and against any and all claims, demands, or causes of actions, including attorney's fees and costs, alleged to arise out of or in connection with injuries/death of passengers or other person(s) and/or damage to equipment or airport facilities by Operator, Operator's contractors, employees, agents, or suppliers, except for claims or causes of action arising or alleged to arise from the negligent acts or omissions of

City, its officers, employees, contractors or agents.

8. The Operator shall furnish to the City the following information which shall be incorporated in and a part of this Agreement as attached Exhibit H:

- a. The full name and address of the Operator if an individual, the full names and addresses of all partners if the Operator is a partnership; the full names and addresses of the directors and any persons owning in excess of ten (10%) percent of the voting shares, if the Operator is a corporation.
- b. Information as to the assets of the Operator involved in the airport operation.
- c. A summary of the past experience and training of the Operator, or if the Operator is a partnership or corporation, such information about the person who will be responsible for the day-to-day management of the airport.

The obligation to supply the above information is a continuing one and the Operator shall notify the City of any changes in the information provided pursuant to this section. Any change in the name of the person responsible for the operation of the airport shall require City approval, which shall not be unreasonably withheld.

9. **Sale or Transfer of Contract Rights.** The rights created pursuant to this Agreement shall be transferable by the Operator provided, however, that before such transfer is effective it must be approved by the Albert Lea City Council. The Operator and the City agree that the obligations of the Operator created by this Agreement are personal in nature and the City reserves the right to reject any proposed transferee in the exercise of sound discretion.

10. **Duties of the City.** The City shall, in addition to any other duties set forth elsewhere in this Agreement, have the following responsibilities:

- a. The City will maintain all runways, taxiways, aeronautical use areas, and lands in general, except Operator shall be responsible for mowing the grass and snow removal of these areas. City will provide a tractor with suitable mowing attachments to be maintained by Owner. City will be responsible for equipment needed to operate the airport. Operator agrees to provide preventative maintenance, including but not limited to, providing systematic inspection to detect, correct, and prevent conditions which cause equipment failure.
- b. The City shall be responsible for the exterior maintenance of all buildings and exterior sewer, gas, water and electrical service, and all replacement as necessary of interior heating and air conditioning units. The Operator shall not make any structural alterations on any of the buildings or premises without prior written consent of the City.
- c. The City shall pay for all public utility expenses including electricity, gas and water.

- d. The City shall provide for the use of the Operator the equipment listed in Exhibits I-1 and I-2. The equipment set forth in Exhibit I-1 shall be maintained by the City. The equipment listed in I-2 shall be maintained by the Operator. The operator shall provide fuel, oil, and grease for equipment and, in addition, shall be responsible for light maintenance including without limitation repair of flat tires, glass breakage, change of edges on plow, blade sharpening, and replacement of hoses.
- e. The City shall be responsible for tune-ups, tire replacement, and major equipment repairs including without limitation repairs to hydraulic systems, drive trains, brakes, engines, and steering system.
- f. This lease is for the term of the Management Agreement, provided, however, that particular items of equipment may be replaced by equivalent or superior equipment at the City's discretion.
- g. This equipment shall be available to the Operator without charge.
- h. The City will be responsible for the cost to de-ice runways.

11. Airport Advisory Committee; Federal and State Regulations. The Albert Lea Airport Advisory Committee shall have the authority to investigate, recommend, and assist the City Council and the City Manager in governing the operation of the airport. The Committee shall be advisory only and its purpose is broad in scope allowing for action on all matters pertaining to the airport and its operation. The Airport Advisory Committee may also work with and meet with users of the airport and the general public to resolve any differences and conflicts which may arise in the operation of the facilities. The Operator shall cooperate with and participate in any promotional activities undertaken by the Advisory Committee which said Committee may deem appropriate for the promotion of aviation in the community. This Agreement and the operation of the airport are subject to all applicable statutes, rules, or regulations adopted by the State or Federal governments or their respective agencies. Further, this Agreement is specifically subject to the provisions of the Agreement between the City and the Federal Aviation Administration, a copy of which is available in the office of the City Clerk and which is hereby incorporated by reference and made a part hereof.

12. Termination. This Agreement may be terminated by either party as follows:

- a. For Cause: Upon sixty (60) days written notice, either party may terminate this Agreement for cause as defined in Paragraph 12 of this Agreement.
- b. Without Cause: Upon six (6) months written notice, the City may terminate this Agreement without cause.

13. Cause of Termination; Renegotiation. The Operator agrees that the primary purpose of the airport and facilities covered by this Agreement is to furnish service to the public requiring airport or aviation facilities and to promote aviation use in the community; further, the Operator

understands that pursuant to this Agreement he is charged with the responsibility to meet this purpose and supply the necessary services as required. The City recognizes that the Operator has the right to develop and maintain a viable business concern in providing the services to the community. By setting out the causes for termination herein, the parties do not intend to limit or to exclude in any way their respective rights to terminate for any lawful cause not included herein; further, in the event of a breach of the terms of this Agreement, the aggrieved party may seek any legal remedy available to him. The following shall be considered a non-exclusive list of the causes for termination of this Agreement:

- a. The filing of a petition in bankruptcy court by the Operator or the adjudication of the Operator as bankrupt or the making by the Operator of an assignment for the benefit of its creditors, or the appointment of a receiver for its properties, which is not dismissed, relieved, corrected or reversed within a period of twenty (20) days after the date of such filing, adjudication, assignment, or appointment.
- b. The failure of the Operator to provide any of those public services as required pursuant to Paragraph 4 and 5 of this Agreement on a fair and reasonable basis.
- c. The failure of the Operator to maintain the airport facilities free of hazardous conditions, or activities, or to correct such conditions or activities promptly.
- d. The failure of either party to fulfill its obligations created hereafter. Notice by an aggrieved party to the other party of a breach and allowance of a reasonable time to cure such breach shall not be construed as a waiver of other remedies which may be available, nor shall the fact that a breach was cured bar consideration of such breach in determining the reasonableness of the breaching party's action or ability to perform pursuant to this Agreement subsequent to the cure.

Either party, by giving sixty (60) days' notice prior to the expiration of the then current term of this Agreement, may initiate a renegotiation of any of the terms hereof and such notice shall not be considered a cause for termination. Except as renegotiated pursuant to this section, this Agreement shall continue in effect until terminated.

14. Notices and Demands. Any notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered only if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally:

(a) as to the City:

City of Albert Lea
Attn: City Manager
221 East Clark Street
Albert Lea, MN 56007
(507) 377-4330

*With copy of notice sent to Director of
Public Works.

(b) as to the Operator: _____

14. **Nondiscrimination.** The Operator shall keep and maintain order and lawful behavior, and render fair and impartial service to ensure the full use and enjoyment of the airport facilities by the public. Operator, and Operator's independent contractors, material suppliers, vendors, assignees, or agents, shall not discriminate against, intimidate, or prevent the employment or use of the airport facilities by any person, by reason of race, creed, or color. Operator agrees the provisions of Minn. Stat. 181.59, relating to civil rights and discrimination, shall be considered a part of this Agreement as though wholly set forth herein. The Operator shall report to the Director of Public Works any incidents involving the abuse of rights or privileges of others by any individual, corporation, partnership, or association which deprive any person(s) of the full use and enjoyment of the airport facilities.
15. **Entire Agreement.** This Agreement, with the attached exhibits, constitutes the entire agreement between the parties pertaining to its subject matter and supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Agreement.
16. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.
17. **Separability.** Whenever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdictions, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.
18. **Modifications.** This Agreement and its Exhibits may be modified solely through written amendments executed by the Director of Public Works and approved by the City Manager.
19. **Waiver.** The failure of any party to take any action or assert any right or remedy, or the partial exercise by any party of any right or remedy, shall not be deemed to be a waiver of such action, right, or remedy if the circumstances creating such action, right, or remedy continue or repeat.
20. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state court of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise. However, any unresolved conflict related to this matter shall be first discussed by the parties in a meeting. If unresolved, the matter shall be mediated in Freeborn County by a certified civil mediator, prior to any litigation being filed.

21. **Immunity.** Nothing in this Agreement shall be construed as a waiver by the City of any immunities, defenses, or other limitations on liability to which the City is entitled by law, including but not limited to the maximum monetary limits on liability established by Minn. Stat. Ch. 466.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and the Operator has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

OPERATOR:

Company, INC

By _____

Its Chief Executive Officer

CITY:

CITY OF ALBERT LEA

By _____

Ian Rigg
Its City Manager

By _____

Rich Murray-
Its Mayor

Exhibit A
Property Description and Map

DRAFT

EXHIBIT "A"

Description of Airport Property

PARCEL NO. 1

The East Half of the Northeast Quarter (E $\frac{1}{4}$ NE $\frac{1}{4}$) and the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$), all in Section 32, Township 103 North, Range 21 West of the 5th P.M., and the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) and the Northwest Quarter of the Southwest Quarter (NW $\frac{1}{4}$ SW $\frac{1}{4}$), all in Section 33, Township 103 North, Range 21, West of the 5th P.M., less and excepting a strip of land one rod wide off the East side of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) of said Section 33, used for road purposes; Also, All that part of the Southwest Quarter of the Southwest Quarter (SW $\frac{1}{4}$ SW $\frac{1}{4}$) of Section thirty-three (33), Township one hundred three (103) North, Range twenty-one (21) West of the 5th P.M., lying North and East of a line located as follows: Commencing at a point in the middle of the public road and at the South boundary line of the said premises and said line being 670 feet West from the Southeast Corner of the said Southwest Quarter of the Southwest Quarter (SW $\frac{1}{4}$ SW $\frac{1}{4}$), thence North and West in a direct line to a point on the North line of the said premises 945 feet West from the Northeast Corner of the said Southwest Quarter of the Southwest Quarter (SW $\frac{1}{4}$ SW $\frac{1}{4}$); less a 2 rod strip along the South line of the said premises previously conveyed to Leonard Nelson, being the portion of the premises used for public highway easement; Also, All that part of the Northwest Quarter of the Northwest Quarter (NW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 33, Township 103 North of Range 21 West of the Fifth Principal Meridian described as follows, to-wit: Commencing at a point 410 feet east of the Northwest Corner of said Northwest Quarter of Northwest Quarter (NW $\frac{1}{4}$ NW $\frac{1}{4}$) of said Section 33, Township 103 Range 21, thence West 410 feet, thence south to the Southwest Corner of said Northwest Quarter of Northwest Quarter (NW $\frac{1}{4}$ NW $\frac{1}{4}$) of said Section 33, thence East 670 feet, thence in a Northwesterly direction to the place of beginning, containing 16.48 acres.

PARCEL TWO

Beginning at the Southeast Corner of the Northwest Quarter of the Northwest Quarter (NW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 33, Township 103 North, Range 21 West; thence West on the South line of said NW $\frac{1}{4}$ NW $\frac{1}{4}$ 437.40 feet; thence North 46 degrees 14 minutes East 632.33 feet; thence South on the East line of said Northwest Quarter of the Northwest Quarter 406.96 feet to a point that is 12 feet north of the Southeast Corner of said NW $\frac{1}{4}$ NW $\frac{1}{4}$; thence South 45 degrees 00 minutes East 16.97 feet to a point that is 12 feet East of the Northwest Corner of the Southeast Quarter of the Northwest Quarter of said Section 33; thence East on the North line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ 381.90 feet; thence South 46 degrees 14 minutes West 568.3 feet, more or less; thence North on a line that is parallel to and 16.5 feet West of the East line of the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) 393.10 feet; thence East on the North line of said SW $\frac{1}{4}$ NW $\frac{1}{4}$ 16.5 feet to the place of beginning, being a tract in the NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 33, and containing 3.95 acres.

PARCEL THREE

That part of the Northeast Quarter of the Northwest Quarter (NE $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 33, Township 103 North, Range 21 West, lying West of County State Aid Highway No. 22 and Northwesterly of the following described line: Beginning at a point on the South line of said Northeast Quarter of the Northwest Quarter, distant 430 feet East of the Southwest Corner thereof; thence run Northeasterly to a point on the Easterly line of said Northeast Quarter of the Northwest Quarter, distant 467.48 feet South of the Northeast Corner thereof and there terminating; except the North 33 feet of the above described tract, also except that part of the above described tract lying southwesterly of the following described line: Beginning at a point on the West line of said Northeast Quarter of the Northwest Quarter, distant 12 feet North of the Southwest Corner thereof; thence run Southeasterly to a point on the South line of said Northeast Quarter of the Northwest Quarter, distant 12 feet East of the Southwest Corner thereof; which lies Southerly, Southwesterly and Westerly of the following described line; Beginning at the point of termination of Line A described below; thence run Southerly at right angles with said line A to an intersection with a line run parallel with and distant 50 feet Southerly and Southwesterly of said Line A; thence run Easterly and Southeasterly on said 50 foot parallel line for 1200 feet and there terminating:

Line A. From a point on the North and South Quarter line of said Section 33, distant 467.48 feet South of the North line thereof, run Southeasterly at an angle of 75°00' with said North and South Quarter line for 100 feet to the point of beginning of the line to be described; thence run Northwesterly along the last described course for 100 feet; thence deflect to the right on an 8°00' curve (delta angle 28°00') for 350 feet; thence on tangent to said curve for 172.8 feet; thence deflect to the left on an 8°00' curve (Delta angle 42°41'43") for 533.69 feet; thence on tangent to said curve for 43.51 feet and there terminating; containing 25.53 acres more or less.

PARCEL FOUR

Beginning at the Southwest Corner of Section 28, Township 103 North, Range 21 West; thence East 800.0 feet along the South line of Section 28; thence North 33.0 feet at a deflection angle of 90°00'00" left to the North right-of-way of the Township Road; thence Northwesterly 440.1 feet on a curve to the right of 785.50 feet radius and through a central angle of 32°06'00" to the point of tangency of said curve, the tangent of said curve being 00°26'00" Southwesterly of a line 33 feet North of and parallel with the South line of Section 28; thence Northwesterly 143.6 feet on a curve to the left of 851.50 feet radius and through a central angle of 9°35'43" intersecting with a line which is 90°00'00" from the South line of Section 28 and 250.0 feet East of the point of beginning; thence Northerly 356.9 feet along said line to the Southerly right-of-way of Interstate Highway No. 90; thence Northwesterly 265.5 feet along the Southerly right-of-way of Interstate Highway No. 90 to the West line of Section 28; thence Southerly 633.3 feet along the West line of Section 28 to the point of beginning, subject to 33 foot road easement on the South side thereof, and containing 4.10 acres, and being part of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 28, Township 103 North, Range 21 West of the Fifth Principal Meridian.

PARCEL FIVE

Beginning at the Southeast Corner of Section 29, Township 103 North, Range 21 West; thence West along the South line of said Section 29 to the West line of the East Half of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of said Section 29; thence Northerly 750.8 feet more or less along the West line of the East Half of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of said Section 29 to the Southerly right-of-way of Interstate No. 90; thence Southeasterly along the Southerly right-of-way of Interstate Highway No. 90 to the East line of said Section 29; thence South 633.3 feet more or less along the East line of said Section 29 to the point of beginning, subject to 33 foot road easement on the South side thereof and containing 10.1 acres, and being part of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 29, Township 103 North, Range 21 West of the Fifth Principal Meridian.

PARCEL SIX

Beginning at the Southeast Corner of the W $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 29, Township 103 North, Range 21 West; thence West 539.8 feet along the South line of said Section 29; thence Northeasterly 547.4 feet more or less to a point which is on the East line of the W $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of said Section 29; thence South 91.1 feet on the East line of the W $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of said Section 29 to the point of beginning, subject to 33 foot road easement on the South side thereof, and containing 0.23 acres, and being part of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 29, Township 103 North, Range 21 West of the Fifth Principal Meridian.

Exhibit B

Landside Facilities

DRAFT

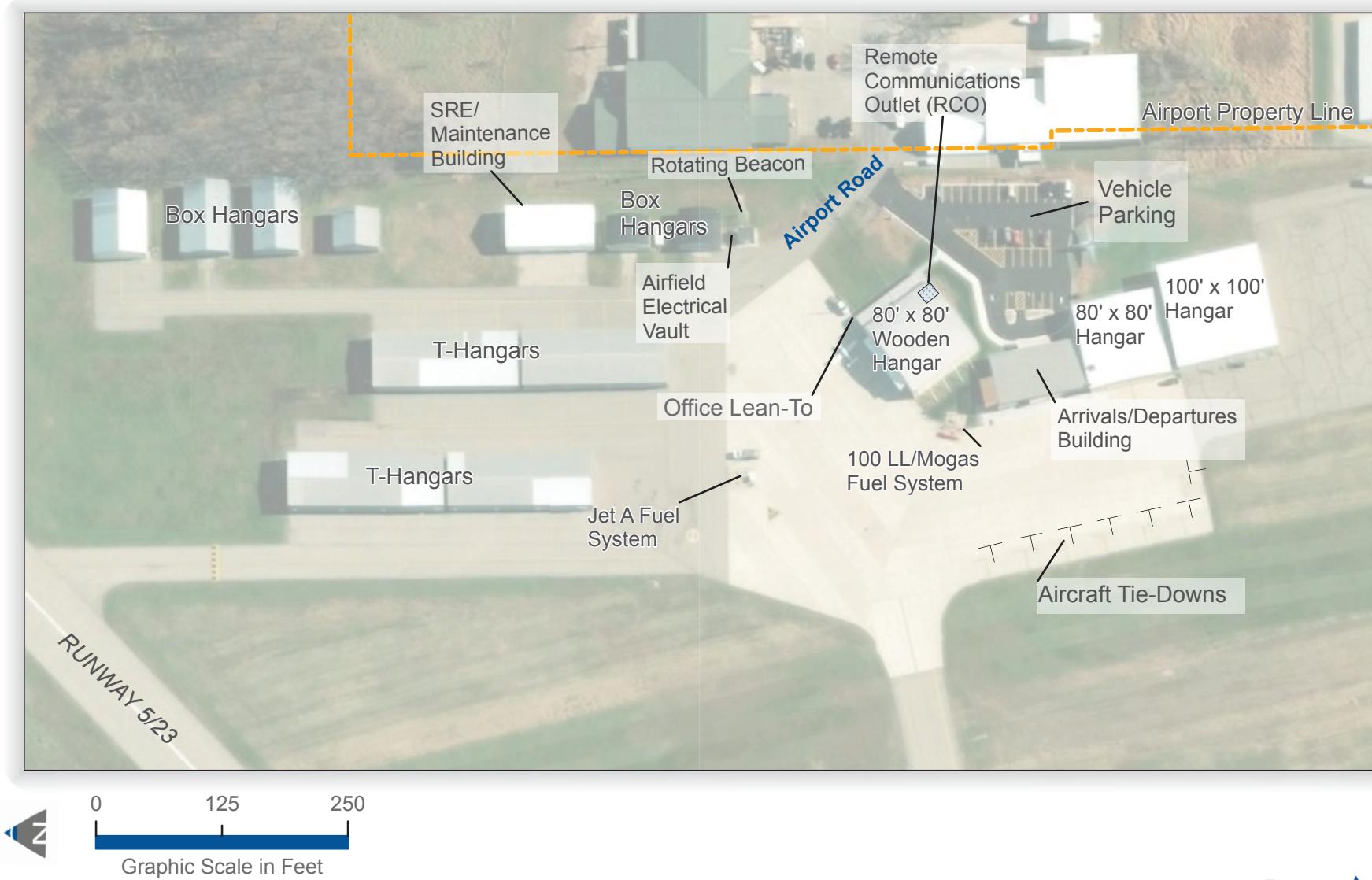


Figure 1-14: **Landside Facilities**

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN

Exhibit C and D
Facilities Covered by Lease

DRAFT

Exhibit C

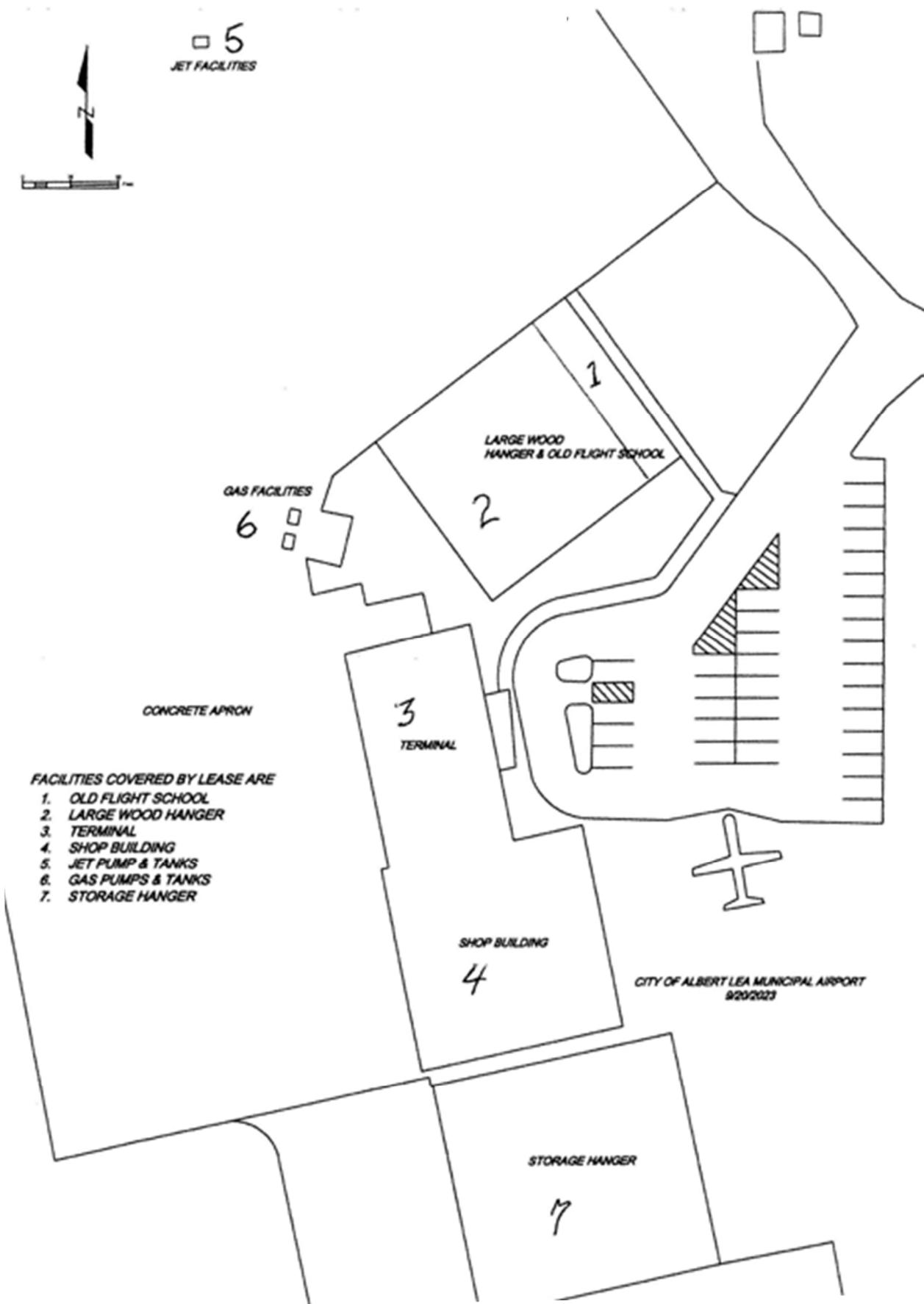


Exhibit D

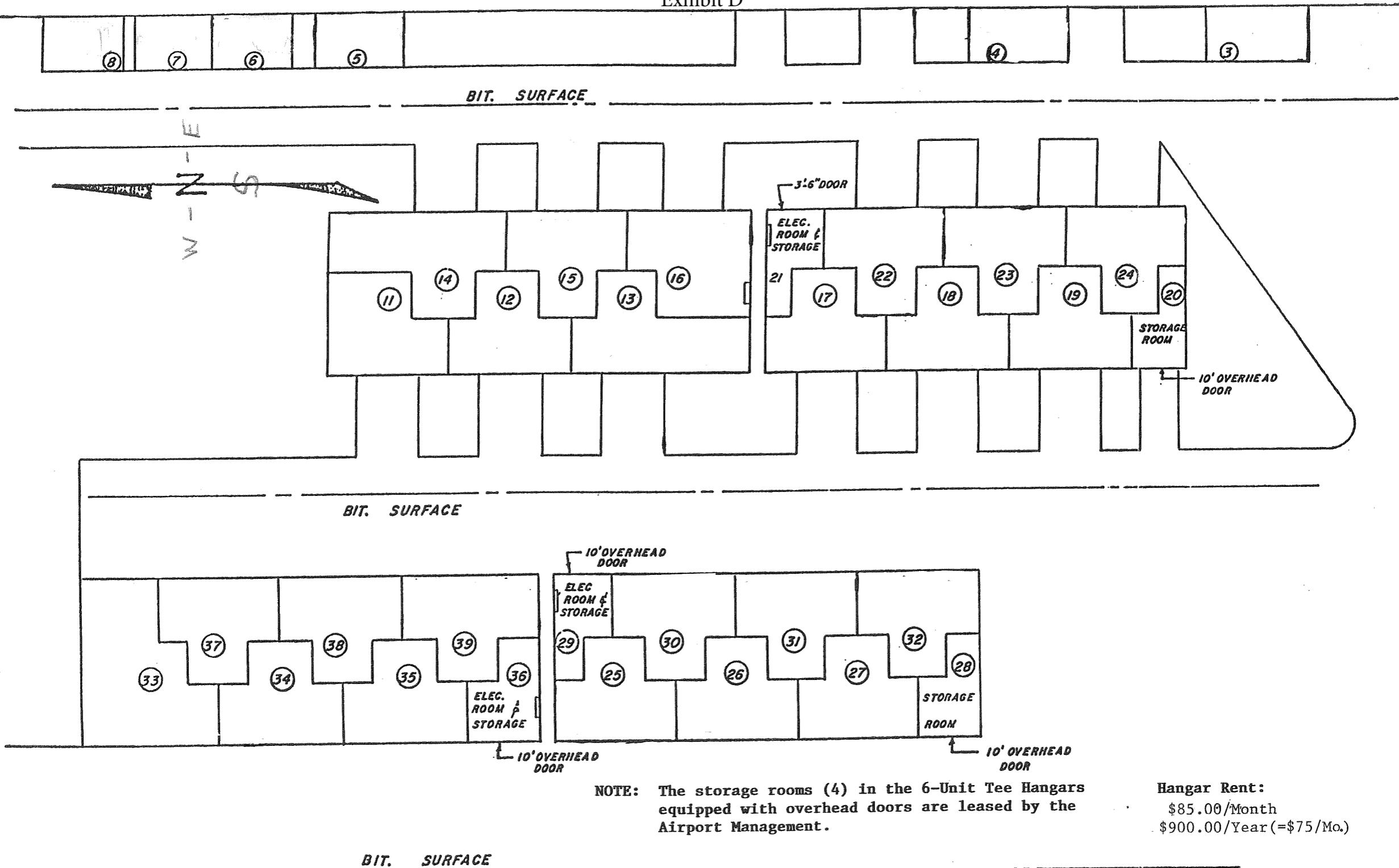


Exhibit E
Courtesy Car Agreement

DRAFT

Albert Lea Regional Airport

Crew Car Agreement

Thank you for choosing the Albert Lea Airport. Please limit your use of this vehicle to four (4) hours unless other arrangements have been made.

User Name _____

Street Address _____

City/State/Zip _____

Phone Number _____

Company Name _____

Driver's License No _____ State _____

Aircraft No _____

Aircraft Type _____

Note: Crew car to be used in local area only. Should this vehicle be damaged while in my possession, I will be responsible for the damages. I certify that I have auto insurance that will cover my driving this vehicle and will hold the City of Albert Lea (City) harmless and indemnify City should my insurance be inadequate to cover damages. I agree that the use of this vehicle is undertaken at my sole risk and that the City shall not be responsible for any claims stemming from my use of this vehicle to myself, property, or other persons. I release the City and the Airport and all servants, agents or employees from any claims, demands, or causes of action stemming from my use of the vehicle, and will hold them harmless and indemnify them from any legal claims.

Signature of User _____

Date _____

Time Out _____ AM / PM

Checked Out By _____

Exhibit F

Operator Ownership Documentation

DRAFT

Exhibit G-1 and G-2 Equipment List

DRAFT

EXHIBIT G-1

Equipment owned and maintained by the City of Albert Lea:

1. Gas Pumps, Hose, Nozzles, and Storage Tanks
2. Jet Fuel Pump, Hose, Nozzle, and Storage Tank
3. Runway Lights, Beacon, Windcone Lights, PAPI, REILS, and Area Floodlights.
4. Unicom Radio
5. Lead-in Strobe Lights
6. Runway End Identifier Lights
7. Wind Indicator System

EXHIBIT G-2

1. 2006 Sterling two ton truck with snow plow, underbody plow and side wing.
2. 2002 New Holland TV-140 Bi-Directional Tractor
3. 2025 New Holland Tractor
4. 2025 Mower
5. 2002 Diamond Triple Flair Mower for New Holland Bi-Directional Tractor
6. 2002 14 foot wide Snow Push Bucket for New Holland Bi-Directional Tractor
7. 2016 Snow Blower for 2002 New Holland Bi-Directional Tractor
8. 2011 John Deer model 1445 tractor with 72" rear discharge mower deck and 47" 2 stage front mount snow blower.

The operator shall provide fuel, oil, and grease for the equipment and, in addition, shall be responsible for light maintenance including without limitation repair of flat tires, glass breakage, changes of edges on plow, blade sharpening, and replacement of hoses.

The City shall be responsible for tune-ups, tire replacement, and major equipment repairs including without limitation repairs to hydraulic systems, drive trains, brakes, engines, and steering systems.

This lease is for the term of the Management Agreement, provided, however, that particular items of equipment may be replaced by equivalent or superior equipment at the City's discretion.