



City of Santa Barbara
Airport Department

Meeting: 11/29/17
Agenda Item No. 9

DATE: November 29, 2017
TO: Airport Commission
FROM: Hazel Johns, Airport Director 
SUBJECT: Lessor's Consent for Assignment of Mag Aviation Fuel Agreement

RECOMMENDATION:

That Airport Commission recommend approval of MAG Aviation Fuel's request for a Consent for Assignment of Agreement #201047 to Signature Flight Support of the self-service fueling station at Santa Barbara Airport. The Agreement provided for an initial term of five (5) years, with one five (5) year option. The option to extend was executed beginning April 7, 2015. The Agreement will terminate on April 6, 2020.

DISCUSSION:

MAG Aviation Fuel (MAG Aviation) constructed a 12,000 gallon AvGas self-fueling facility on 11,250 square feet of ramp space at 1600 Cecil Cook Place in 2010. MAG Aviation received their final approval to operate by the City Building Department on April 7, 2010. The facility operates as a fueling option for general aviation aircraft, in addition to full service fueling provided by the Airport's two fixed base operators, Signature Flight Support and Atlantic Aviation.

The owners of MAG Aviation, Garry Abbott and Mitch Laskowski, informed the Airport of their desire to sell their interests in whole to Signature Flight Support (Signature). After discussions with the Airport Director, they submitted their request for approval of the ownership transfer and assignment, as required by the terms of the Agreement.

Signature has pursued a competitive fuel pricing strategy at the Airport for its full service fueling, which in turn has placed competitive pressure on MAG Aviation's self-fueling operation. Signature approached MAG Aviation with an interest in purchasing the self-fueling operation as a means of supporting the local general aviation community. With this purchase, Signature believes that it will be able to extend lower prices to self-service general aviation customers than MAG Aviation currently can offer. Additionally, as a fixed base operator at the Airport, Signature believes the maintenance and upkeep of the facility will be enhanced.

Per the conditions of assignment as described in Section 18.A. Subletting and Assignment of the lease, Signature, as the proposed assignee, has the qualifications necessary to fulfill the obligations as Lessee and intends to assume all lease obligations per a Consent Agreement with the Santa Barbara Airport. Further, as per Section 18.A.3 MAG Aviation will be required to pay a \$3,000 transfer fee to reimburse the Airport for review of assignment documents, including legal expenses.

PREPARED BY: Business Development/Properties
ATTACHMENT: Map

