

Mayor Lioneld Jordan
City Attorney Kit Williams
City Clerk Sondra Smith



Aldermen

Ward 1 Position 1 – Adella Gray
Ward 1 Position 2 – Sarah Marsh
Ward 2 Position 1 – Mark Kinion
Ward 2 Position 2 – Matthew Petty
Ward 3 Position 1 – Justin Tennant
Ward 3 Position 2 – Martin W. Schoppmeyer, Jr.
Ward 4 Position 1 – Rhonda Adams
Ward 4 Position 2 – Alan T. Long

**Final Agenda
City of Fayetteville Arkansas
Special City Council Meeting
March 12, 2013**

A Special Fayetteville City Council meeting called by Mayor Lioneld Jordan will be held on March 12, 2013 at 5:00 PM in Room 326 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Call to Order

Roll Call

Pledge of Allegiance

Mayor's Announcements, Proclamations and Recognitions:

City Council Meeting Presentations, Reports and Discussion Items:

A. New Business:

- 1. REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC (collectively Million Air Fayetteville):** An ordinance waiving the requirements of formal competitive bidding and approving a contract in the amount of \$57,500.00, plus applicable per gallon fuel costs, with REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC (collectively Million Air Fayetteville) for the purchase of equipment and supplies necessary to effectuate the City's takeover of airport fixed-base operations.

PASSED AND SHALL BE RECORDED AS ORDINANCE NO. 5571

2. **State Drug Crime Enforcement and Prosecution Fund Grant:** A resolution authorizing acceptance of a State Drug Crime Enforcement and Prosecution Fund Grant for the Fourth Judicial District Drug Task Force in the amount of \$60,000.00 and approving a budget adjustment.

PASSED AND SHALL BE RECORDED AS RESOLUTION NO. 49-13

B. City Council Tours:

1. **March 25, 2013 5:00 PM**
Fayetteville Public Library
2. **April 8, 2013 5:00 PM**
Westside Wastewater Treatment Plant
3. **May 6, 2013 5:00 PM**
Noland Wastewater Treatment Plant and Biosolids Management Site

C. Announcements:

Adjournment: 5:15 p.m.

NOTICE TO MEMBERS OF THE AUDIENCE

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Consent Agenda. Consent Agenda items shall be read by the Mayor and voted upon as a group without discussion by the City Council. If an Alderman wishes to comment upon or discuss a Consent Agenda item, that item shall be removed and considered immediately after the Consent Agenda has been voted upon.

Old business and new business.

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A copy of the complete City Council agenda is available at accessfayetteville.org or in the office of the City Clerk, 113 W. Mountain, Fayetteville, Arkansas.

Subject:	Roll				
	Adams	✓			
	Long	✓			
	Gray	✓			
	Marsh	✓			
	Kinion	✓			
	Petty	✓			
	Tennant	✓			
	Schoppmeyer	✓			
	Mayor Jordan	✓			

Subject:					
Motion To:					
Motion By:					
Seconded:					
	Adams				
	Long				
	Gray				
	Marsh				
	Kinion				
	Petty				
	Tennant				
	Schoppmeyer				
	Mayor Jordan				

Special City Council Meeting: March 12, 2013

Subject:		REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC			
Motion To:			2nd Read	3rd Read	Pass
Motion By:			Gray	Long	
Seconded:			Kinion	Adams	
A. 1 New Business <u>Passed</u> 5571 effective immediately per Ket.	Adams	✓	✓	✓	
	Long	✓	✓	✓	
	Gray	✓	✓	✓	
	Marsh	✓	✓	✓	
	Kinion	✓	✓	✓	
	Petty	✓	✓	✓	
	Tennant	✓	✓	✓	
	Schoppmeyer	✓	✓	✓	
	Mayor Jordan				
		8-0	8-0	8-0	

Subject:		4 th Judicial District Drug Task Force			
Motion To:			Approve		
Motion By:			Gray		
Seconded:			Tennant		
A. 2 New Business 49-13	Adams	✓			
	Long	✓			
	Gray	✓			
	Marsh	✓			
	Kinion	✓			
	Petty	✓			
	Tennant	✓			
	Schoppmeyer	✓			
	Mayor Jordan				



Kit Williams
City Attorney

Jason B. Kelley
Assistant City Attorney

TO: Mayor Jordan

THRU: Sondra Smith, City Clerk

FROM: Jason Kelley, Assistant City Attorney

DATE: March 13, 2013

RE: Resolutions and Ordinances prepared by the City Attorney's Office and passed at the Special City Council meeting of March 12, 2013

1. **REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC (collectively Million Air Fayetteville):** An ordinance waiving the requirements of formal competitive bidding and approving a contract in the amount of \$57,500.00, plus applicable per gallon fuel costs, with REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC (collectively Million Air Fayetteville) for the purchase of equipment and supplies necessary to effectuate the City's takeover of airport fixed-base operations.

2 **State Drug Crime Enforcement and Prosecution Fund Grant:** A resolution authorizing acceptance of a State Drug Crime Enforcement and Prosecution Fund Grant for the Fourth Judicial District Drug Task Force in the amount of \$60,000.00 and approving a budget adjustment.

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City of Fayetteville Staff Review Form

A. 1
REW Investments, Inc.,
Woolsey Aviation, Inc.
and Go Fayetteville, LLC
(collectively Million Air Fayetteville)
Page 1 of 10

**City Council Agenda Items
and
Contracts, Leases or Agreements**

Special Meeting 3/12/13

City Council Meeting Date
Agenda Items Only

Ray M. Boudreaux

Submitted By

Aviation

Division

Transportation

Department

Action Required:

Action Required: A resolution to approve an Agreement with Woolsey Aviation Inc., DBA Go Fayetteville, Million Air Fayetteville, for transfer of equipment and agreements related to the Drake Field Fixed Based Operation.

\$ 57,500.00

Cost of this request

\$ 98,437.00

Category / Project Budget

FBO Capital Expenditures

Program Category / Project Name

VARIOUS

Account Number

\$ -

Funds Used to Date

2013 Trk Other

Program / Project Category Name

51301 1

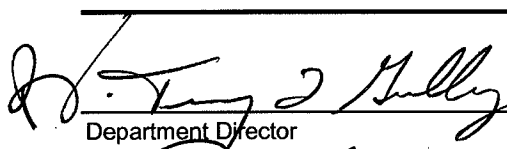
Project Number

\$ 98,437.00

Remaining Balance

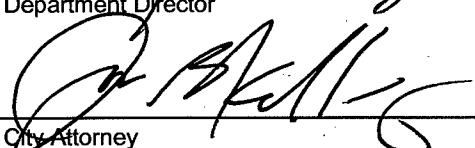
Airport

Fund Name

Budgeted Item ☒Budget Adjustment Attached ☐

Department Director

3-11-13
Date

Previous Ordinance or Resolution # 28-13

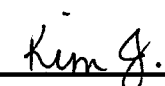
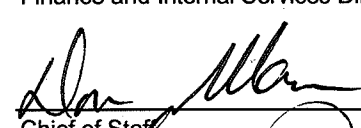

City Attorney

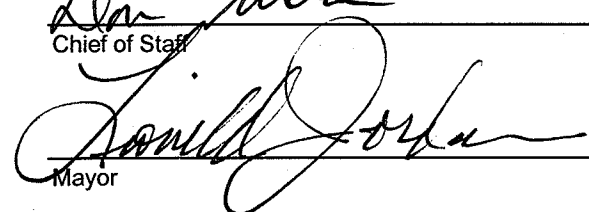
3-11-13
Date

Original Contract Date:

Original Contract Number:

Paul A. Baker
Finance and Internal Services Director

3-11-2013
Date
Received in City
Clerk's Office


Chief of Staff

3-11-13
Date
Received in
Mayor's Office

Mayor

3/11/13
Date

Comments: Cost of this request does not include the cost of fuel and oil inventory to be purchased from Million Air.

City Council Meeting of: **SPECIAL MEETING**
Agenda Item Number:



AVIATION DIVISION
FAYETTEVILLE EXECUTIVE AIRPORT • DRAKE FIELD

CITY COUNCIL AGENDA MEMO/STAFF CONTRACT REVIEW MEMO

TO: Mayor Jordan
THRU: Chief of Staff
THRU: Staff/Contract Review Committee
THRU: Terry Gulley, Transportation Director *TG*
FROM: Ray M. Boudreaux, Aviation Director *RB*
DATE: March 11, 2013

SUBJECT: Approve the Termination Agreement with Woolsey Aviation, Inc. (dba: Million Air, Fayetteville and Go Fayetteville LLC) and payments for equipment and inventory. Signature of the Mayor and City Clerk.

RECOMMENDATION: Approve the Termination Agreement between the City of Fayetteville and Woolsey Aviation, Inc. (dba Million Air, Fayetteville and Go Fayetteville, LLC.) Authorize payment for the equipment and the Novation of the Contract with Defense Logistics Agency for sales to US Government aircraft in the total amount of \$57,500.00 and the purchase of fuel and oil inventory in an amount determined on the last day of the Million Air operation at the wholesale price paid when delivered to Drake Field. Signature of the Mayor and the City Clerk on the Agreement.

BACKGROUND: The City Council has approved the termination of the contract with Million Air, Fayetteville (Woolsey Aviation, Inc. and Go Fayetteville, LLC) and the budget for the City to operate the FBO in house. The City will purchase the Ground Support Equipment (GSE) needed to operate the FBO from Million Air and the DLA Contract for service to US Government Aircraft from Million Air. On the final day of operation, inventory of product for sale will be accomplished and the City will purchase, at cost, the inventory remaining in the bulk fuel storage facility (Fuel Farm) and engine oil in inventory in the FBO. This item approves the expenditures.

BUDGET IMPACT: The total to be paid to Million Air for the equipment and the DLA contract novation is \$57,500.00, the amount negotiated, and will be expensed from the budget approved by the City Council for the FBO. Inventory payment will be expensed from the FBO budget in the amount remaining in the inventory on the last day of the contract.

Attachments: Staff Review
Termination Agreement

ORDINANCE NO. _____

AN ORDINANCE WAIVING THE REQUIREMENTS OF FORMAL COMPETITIVE BIDDING AND APPROVING A CONTRACT IN THE AMOUNT OF \$57,500.00, PLUS APPLICABLE PER GALLON FUEL COSTS, WITH REW INVESTMENTS, INC., WOOLSEY AVIATION, INC. AND GO FAYETTEVILLE, LLC (COLLECTIVELY MILLION AIR FAYETTEVILLE) FOR THE PURCHASE OF EQUIPMENT AND SUPPLIES NECESSARY TO EFFECTUATE THE CITY'S TAKEOVER OF AIRPORT FIXED-BASE OPERATIONS

WHEREAS, the City has determined to terminate its agreement with Million Air, the current Fixed Base Operator (FBO) for the Fayetteville Executive Airport; and

WHEREAS, continued FBO services on and after March 15, 2013, including the provision of aviation fuel and appropriate equipment to dispense and store such fuel, are required for the functioning of the Airport; and

WHEREAS, the equipment and supplies needed by the City is currently owned by Million Air Fayetteville and is on-site at the airport, and, further, the City has insufficient time to competitively bid necessary equipment and supplies in order to conduct FBO services by March 15, 2013; and

WHEREAS, an orderly transition of FBO services from Million Air Fayetteville to the City will provide and opportunity for the City to retain a Defense Logistics Agency (DLA) fueling contract,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby determines an exceptional situation exists in which competitive bidding is deemed not feasible or practical and therefore waives the requirements of formal competitive bidding and approves a contract in the amount of \$57,500.00, plus applicable per gallon fuel costs, with REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC (collectively Million Air Fayetteville), marked as Exhibit "A" attached hereto and made a part hereof, for the purchase of airport equipment and supplies necessary to effectuate the City's takeover of Airport fixed-base operations.

PASSED and **APPROVED** this 12th day of March, 2013.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

CONTRACT

THIS AGREEMENT, made and entered into the _____ day of _____, 2013, by and between the City of Fayetteville, Arkansas (hereinafter "Fayetteville") and REW Investments, Inc. with and through its wholly-owned subsidiaries Woolsey Aviation, Inc. and Go Fayetteville, LLC each dba Million Air Fayetteville (hereinafter "Million Air"), collectively the "Parties":

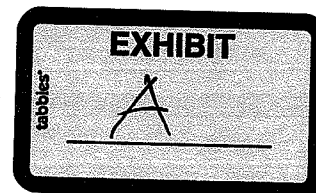
WITNESSETH:

That Million Air and Fayetteville, for the consideration hereinafter fully set out, hereby agree as follows:

1. Million Air states that Woolsey Aviation, Inc. and Go Fayetteville, LLC are wholly-owned subsidiaries of REW Investments, Inc. each of which have done or currently do business as "Million Air Fayetteville", and that the undersigned authorized representative of Million Air has the authority to, and hereby does, bind REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC to this Contract, with each of them being jointly and severally liable for the performance of Million Air as agreed herein.

2. Million Air and Fayetteville agree that the last day of operation by Million Air pursuant to the current Fixed-Base Operation (FBO) agreement shall be March 15, 2013. By entering this Contract, Million Air and Fayetteville hereby agree and hereby do release each other from any further obligation under the existing FBO agreement and terminate the FBO agreement.

3. Million Air agrees, and hereby does, sell to Fayetteville the equipment listed and attached hereto as Exhibit "A", novation of a Defense Logistics Agency (DLA) fuel contract by December 31, 2013, all fuel currently remaining in Fayetteville's airport "fuel farm" and service trucks on the date of termination (March 15, 2013), all aircraft engine oil in inventory on the date of termination (March 15, 2013), and further agrees to pay Fayetteville for fuel currently stored by Million Air at Fayetteville's airport and pre-purchased by Fayetteville airport fuel customers. All property transferred to Fayetteville by Million Air shall be free and clear of any and all liens



or encumbrances of any kind. The rate of payment for fuel shall be the delivered price of fuel most recently purchased by Million Air for fuel delivered to Fayetteville's airport. Payment for aircraft engine oil shall be at the wholesale rate paid by Million Air. Payment for fuel and aircraft engine oil shall be in addition to any payment required pursuant to Section 7 of this Contract.

4. The Parties agree that Fayetteville will act as fueling agent for Million Air for purposes of the DLA contract. Million Air will take all steps necessary to designate Fayetteville as said fueling agent with the Defense Logistics Agency (DLA), through December 31, 2013. The Parties agree that, through December 31, 2013, Million Air will promote Fayetteville's airport as a training destination for military flights. The Parties agree that Fayetteville shall bill DLA for all fuel purchases pursuant to the DLA contract and that DLA shall make full payment of said bills to Million Air. Million Air shall then pay over to Fayetteville all amounts less and except the total of \$0.47 per gallon of fuel sold. Payment for fuel by Million Air as required in this section shall be in addition to any payment required pursuant to Section 7 of this Contract.

5. Fayetteville agrees that it will make all reasonable efforts to hire as many qualified employees of Million Air currently stationed at Fayetteville's airport as are needed by Fayetteville for its own fixed-base operations. Fayetteville will follow all of its standard hiring practices, as well as all applicable provisions of local, state or federal law. The Parties agree that Fayetteville's agreement herein shall not be deemed to create third-party beneficiary rights for any current or future employee of Fayetteville, nor for any Fayetteville job applicant, nor for any employee of Million Air.

6. Million Air agrees to allow Fayetteville's employees or agents the right to be physically present during Million Air's removal of any of its remaining equipment and/or furnishings at Fayetteville's airport, and further agrees to allow Fayetteville the right of access to spaces and facilities occupied by Million Air at Fayetteville's airport in order to accommodate Fayetteville's set up of telecommunications hardware, including, but not limited to telephone and/or data lines.

7. Subject to credits, deductions and off-sets stated herein, Fayetteville agrees to pay and Million Air agrees to accept \$80,000.00 to perform as agreed herein. The Parties acknowledge and agree that Million Air currently owes the sum of \$45,000.00 to Fayetteville pursuant to the terms of the FBO agreement previously entered between Million Air and Fayetteville and that fifty percent (50%) of said sum owed shall be deducted by Fayetteville from the total \$80,000.00 payment due Million Air pursuant to this Contract, leaving a total payment to Million Air by Fayetteville of \$57,500.00. Said \$57,500.00 owed shall be paid by Fayetteville to Million Air as follows:

- A. A payment of \$45,000.00 within seven (7) days of execution of this Contract.
- B. A payment of \$5,000.00 ninety (90) days after execution of this Contract, so long as Million Air has made timely payments to Fayetteville for fuel purchases pursuant to the DLA contract currently in place between Million Air and DLA and referenced in Section 4, above. If timely payments are not made during the ninety (90) days after execution of this Contract, this \$5,000.00 payment shall be deferred and made only upon final novation (assignment) of the DLA fueling contract to Fayetteville. To be timely, payments to Fayetteville for fuel pursuant to this subsection must be made by Million Air within thirty (30) days of the date of the fuel purchase by DLA.
- C. A payment of \$7,500.00 upon final novation (assignment) of the DLA fueling contract to Fayetteville, which shall occur on or before December 31, 2013. If final novation (assignment) of the DLA fueling contract to Fayetteville does not occur by such date, or if payments due for fuel purchases referenced in Section 7(B) are unpaid, all further payments due Million Air pursuant to this Contract shall be forfeited and considered liquidated damages.

8. Changes, modifications, or amendments to any of the terms of this Contract shall not be allowed without a prior formal contract amendment, approved by the Mayor.

9. Freedom of Information Act. Fayetteville contracts and documents prepared while performing contractual work are subject to the Arkansas Freedom of Information Act. If an Arkansas Freedom of Information Act request is presented to Fayetteville, Million Air will do

everything possible to provide the requested information in a prompt and timely manner as prescribed in the Act. Only legally authorized photocopying costs, pursuant to the Act may be assessed for this compliance.

10. Assignment. Neither of the Parties may assign this Contract, nor any interest herein, without written consent of the other party.

11. Integration. This Contract reflects the entire agreement of the Parties with regard to the subject matter herein stated. No other written or oral agreements between the Parties have been made.

12. Jurisdiction and Venue. The jurisdiction and venue for any dispute arising pursuant to this Contract shall be the Circuit Court of Washington County, Arkansas or the United States District Court for the Western District of Arkansas, Fayetteville Division, with Arkansas law applying to the case, without regard to conflicts of law principles.

AGREED UPON AND EXECUTED BY AND BETWEEN THE PARTIES ON THE
DATE FIRST WRITTEN ABOVE.

**REW Investments, Inc.
Woolsey Aviation, Inc.
Go Fayetteville, LLC
(collectively "Million Air")**

City of Fayetteville, Arkansas

By: _____
Roger Woolsey, President/CEO
Authorized Agent to Bind All Entities Listed

By: _____
Lioneld Jordan, Mayor

Attest: _____

Attest: _____
City Clerk/Treasurer

CITY OF FAYETTEVILLE
 FAYETTEVILLE EXECUTIVE AIRPORT
 SCHEDULE OF MILLION AIR GSE
 6-Feb-13

NO.	ITEM/DESCRIP	MODEL	CONDITION
1	Tug	'84 Harlan CT120	Unknown - runs
2	Tug	Hammond ODV	Needs repair
3	GPU	Hobart 600	Average
4	GPU	Hobart Diesel	Needs repair - fuel leak
5	HD Towbar w/heads	AERO?	Used no apparent defects
6	Towbars GA small (2)	AERO?	Used no apparent defects
7	Towbars GA hand (2)		Used no apparent defects
8	Chocks Lg (27)		Used no apparent defects
9	Chocks sm (6)		Used no apparent defects
10	Road cones (30)		Used no apparent defects
11	Ladders (5)	generic 6'	Used no apparent defects
12	Fueling Mats (3)		Used no apparent defects
13	24V Battery Charger	DSR	Fair
14	Air compressor		Fair to poor
15	Lav Cart	Aerospecialties	Needs repair - wheels
16	Luggage cart		Good
17	De-ice trailer	Homemade	Unknown
18	Storage shelves (3)	Chrome wire	Used no apparent defects
19	Airband base station (2)	icom - A110	Used no apparent defects
20	Ice machine	Manitowoc	Average
21	Upright freezer		Average
22	Commercial cooler	Frigidaire	Average
23	Drum pump		Average
24	Lobby/office furnishings	Various	Average
25	Manager's office		Good
26	Line shack furniture		Average
27	Line service equip	wands/ear protect	Average
28	Hand held line radio (5)	Pro HT850	Average
29	Soda dspnsr & ice mach		Average

Plus various parts, attachments and appurtenances to the above-listed items.

EXHIBIT "A"

City Council Agenda Items
and
Contracts, Leases or Agreements

4/2/2013

City Council Meeting Date
Agenda Items OnlyGreg Tabor
Submitted ByDrug Enforcement
DivisionPolice
Department

Action Required:

Acceptance of the State Drug Crime Enforcement and Prosecution Fund Grant Award for state funding to the 4th Judicial District Drug Task Force and approval of a budget adjustment in the amount of \$60,000.00. This grant award will fund a currently frozen position within the Police Department and allow for the assignment of an officer to the Drug Task Force.

\$ 60,000.00
Cost of this request

\$ -

State Drug Fund Grant
Program Category / Project Name

1010-2920-5120.00
Account Number

\$ -
Funds Used to Date

Grant
Program / Project Category Name

31301-1
Project Number

\$ -
Remaining Balance

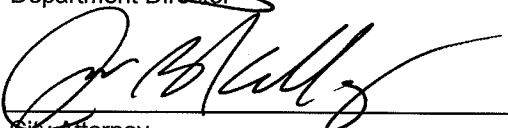
General
Fund Name

Budgeted Item ☐Budget Adjustment Attached ☒


Department Director

3-8-13
Date

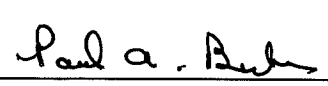
Previous Ordinance or Resolution #


City Attorney

3-11-13
Date

Original Contract Date:

Original Contract Number:


Finance and Internal Services Director

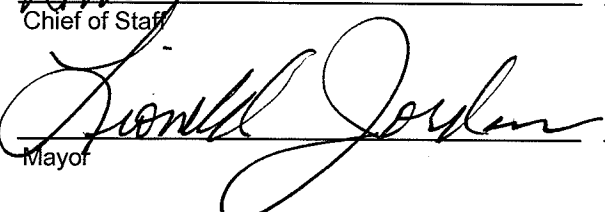
3-11-2013
Date

Received in City 03-03-13 P03:18 RCVD
Clerk's Office


Chief of Staff

3-11-13
Date

Received in
Mayor's Office


Mayor

3/11/13
Date



Comments:

CITY COUNCIL AGENDA MEMO

To: Mayor Lioneld Jordan and Members of the City Council

From: Greg Tabor, Chief of Police 

Date: March 7, 2013

Subject: Grant Award for 4th Judicial District Drug Task Force

PROPOSAL:

The State Drug Crime Enforcement and Prosecution Fund is a new funding source specifically established to supplement Drug Task Force entities in Arkansas. The total grant award is \$75,000 with 80% funded by the State Grant and 20% funded by local in-kind match. The 4th Judicial District Drug Task Force (DTF) will use the State Grant award amount of \$60,000 to fund a DTF Investigator to be assigned to the 4th DTF by the Fayetteville Police Department. This grant funded assignment will move one Full Time Equivalent (FTE) position from Frozen to Active status within the City's 2013 Annual Budget. Furthermore, the twenty percent (20%) in-kind match requirement in the amount of \$15,000 will be met through the existing budgeted salary of the 4th DTF Secretary position.

RECOMMENDATION:

Staff recommends acceptance of the State Drug Crime Enforcement and Prosecution Fund Grant Award for state funding to the 4th Judicial District Drug Task Force and approval of a budget adjustment in the amount of \$60,000. If you should have any comments or questions regarding this grant application, please contact me at extension 500 or Judy Cohea at extension 581.

BUDGET IMPACT:

The \$60,000 grant award will reimburse the cost of a new officer and operations for the officer assigned to the Drug Task Force.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING ACCEPTANCE OF A STATE DRUG CRIME ENFORCEMENT AND PROSECUTION FUND GRANT FOR THE FOURTH JUDICIAL DISTRICT DRUG TASK FORCE IN THE AMOUNT OF \$60,000.00, AND APPROVING A BUDGET ADJUSTMENT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby authorizes acceptance of a State Drug Crime Enforcement and Prosecution Fund Grant for the Fourth Judicial District Drug Task Force in the amount of \$60,000.00.

Section 2. That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached as Exhibit "A".

PASSED and APPROVED this 12th day of March, 2013.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer



**ARKANSAS DEPARTMENT OF
FINANCE AND ADMINISTRATION**

OFFICE OF INTERGOVERNMENTAL SERVICES

1515 West Seventh Street, Suite 400
P. O. Box 8031
Little Rock, Arkansas 72203-8031
Phone: (501) 682-1074
Fax: (501) 682-5206
<http://www.state.ar.us/dfa>

☒ DCF

☐ RSAT

☐ LLEBG

**Arkansas State Drug Crime Enforcement
and Prosecution Grant Fund**

CFDA #: N/A

1. SUBGRANTEE NAME AND ADDRESS (Including Zip Code)

The Honorable Lioneld Jordan,
City of Fayetteville
100-A West Rock Street
Fayetteville, Arkansas 72701

4. SUBGRANT NUMBER: 13-014-DF

5. START DATE: March 1, 2013
END DATE: February 28, 2014

2. MODIFICATION EFFECTIVE DATE:

6. AWARD DATE: March 1, 2013

7. ACTION: ☒ Initial
☐ Modification

2A. MODIFICATION AMOUNT \$
FEDERAL \$
STATE MATCH \$
LOCAL MATCH \$

8. AWARD AMOUNT \$75,000.00
FEDERAL \$
STATE MATCH \$ 60,000.00
LOCAL MATCH \$ 15,000.00

3. COMMON NAME: 4th Judicial District Drug Task Force - City of Fayetteville

9. SPECIAL CONDITIONS (check if applicable)

☒ THE ABOVE GRANT PROJECT IS APPROVED SUBJECT TO SUCH CONDITIONS OR LIMITATIONS AS SET FORTH IN ITS APPLICATION AND ALL CERTIFICATIONS, ASSURANCES AND SPECIAL CONDITIONS PREVIOUSLY AGREED TO.

This project is supported under Act 1086 of 2007: The State Drug Crime Enforcement and Prosecution Grant Fund

AGENCY APPROVAL		SUBGRANTEE APPROVAL	
10. TYPED NAME AND TITLE OF APPROVING IGS OFFICIAL Doris Smith, Administrator Intergovernmental Services		12. TYPED NAME AND TITLE OF AUTHORIZED SUBGRANTEE OFFICIAL The Honorable Lioneld Jordan 4th Judicial District	
11. SIGNATURE OF APPROVING OFFICIAL		13. SIGNATURE OF AUTHORIZED OFFICIAL	14. DATE

Handed out at the 3/12/13 Special Comtg.



Departmental Correspondence



www.accessfayetteville.org

LEGAL
DEPARTMENT

Kit Williams
City Attorney

Jason B. Kelley
Assistant City Attorney

MEMORANDUM

TO: MAYOR & CITY COUNCIL

FROM: JASON KELLEY, ASST. CITY ATTORNEY

A handwritten signature in dark ink, appearing to read "JB Kelley".

CC: KIT WILLIAMS, CITY ATTORNEY
TERRY GULLEY, TRANSPORTATION DIRECTOR
RAY BOUDREAUX, AIRPORT MANAGER

DATE: MARCH 12, 2013

RE: MILLION AIR TERMINATION/EQUIPMENT PURCHASE CONTRACT

I would like to take this opportunity to advise you regarding the pending Million Air termination/equipment purchase contract.

The contract provides a mechanism whereby the City will obtain needed equipment and fuel in inventory to conduct fixed-base operations at Drake Field on the date of termination of the FBO agreement with Million Air (March 15, 2013).

In order for the City to have the ability to sell fuel for military aircraft after March 15, 2013, the termination agreement provides that Million Air, the current holder of the federal contract through the Defense Logistics Agency (DLA), will immediately name the City as its "fueling agent" with DLA for purposes of continuing fuel sales for military aircraft, until such time as the City makes its own agreement with DLA to provide the service. This process, called novation, is similar to a contract assignment, but technically would constitute a new agreement between DLA and the City. The proposed termination contract with Million Air calls for novation to be completed by December 31, 2013.

Between execution of the termination contract with Million Air and novation of the DLA contract, the City is agreeing to pump fuel it has paid for into military aircraft and in turn receive payment from Million Air for the purchase price plus \$0.47 per gallon. Million Air is agreeing to make payment to the City within forty-five (45) days of the date of fuel purchase. You should know that there is a risk Million Air will not make timely payment, or may not make payment at all, for fuel the City pumps into military aircraft. This is so particularly because failure to make timely payments to the City was the leading factor in deciding to terminate the Million Air FBO agreement. Based on my understanding, however, an agreement must be made in order to have

fueling services for all aircraft available at Drake Field after March 15, 2013. In addition, by entering this agreement with Million Air, the City should have its own ability to sell military fuel based on the City's own agreement with DLA by the end of the year. This could be a financial benefit to the City for years to come.

To incentivize Million Air to follow through on its obligations in the proposed termination agreement, a total of \$12,500.00 of the total \$57,500.00 due is being held back as a form of "retainage." If Million Air makes timely payments for military fuel purchases by DLA during the first ninety (90) days after execution of the termination agreement, \$5,000.00 of "retainage" will be paid by the City to Million Air. If Million Air fails to make timely payments, the "retainage" will continue to be held by the City until novation of the DLA contract occurs. If novation of the DLA contract does not occur, which is another risk, the City would retain not only the \$5,000.00 held due to untimely fuel payments, but also the final \$7,500.00 due upon final novation as liquidated damages. Should Million Air make timely fuel payments to us, but fail to accomplish novation of the agreement by the end of 2013, the City would only retain the final \$7,500.00 due as liquidated damages.

In spite of the fact that there is some exposure to the City by entering this termination agreement, the consequences of failing to do so at this point and not having the ability to sell any fuel at the airport as of March 15, 2013, would appear to be a far greater concern.

Handed out at the 3/12/13 Special CC mtg.

CONTRACT

THIS AGREEMENT, made and entered into the 12 day of MARCH, 2013, by and between the City of Fayetteville, Arkansas (hereinafter "Fayetteville") and REW Investments, Inc. with and through its wholly-owned subsidiaries Woolsey Aviation, Inc. and Go Fayetteville, LLC each dba Million Air Fayetteville (hereinafter "Million Air"), collectively the "Parties":

WITNESSETH:

That Million Air and Fayetteville, for the consideration hereinafter fully set out, hereby agree as follows:

1. Million Air states that Woolsey Aviation, Inc. and Go Fayetteville, LLC are wholly-owned subsidiaries of REW Investments, Inc. each of which have done or currently do business as "Million Air Fayetteville", and that the undersigned authorized representative of Million Air has the authority to, and hereby does, bind REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC to this Contract, with each of them being jointly and severally liable for the performance of Million Air as agreed herein.

2. Million Air and Fayetteville agree that the last day of operation by Million Air pursuant to the current Fixed-Base Operation (FBO) agreement shall be March 15, 2013. By entering this Contract, Million Air and Fayetteville hereby agree and hereby do release each other from any further obligation under the existing FBO agreement and terminate the FBO agreement.

3. Million Air agrees, and hereby does, sell to Fayetteville the equipment listed and attached hereto as Exhibit "A", novation of a Defense Logistics Agency (DLA) fuel contract by December 31, 2013, all fuel currently remaining in Fayetteville's airport "fuel farm" and service trucks on the date of termination (March 15, 2013), all aircraft engine oil in inventory on the date of termination (March 15, 2013), and further agrees to pay Fayetteville for fuel currently stored by Million Air at Fayetteville's airport and pre-purchased by Fayetteville airport fuel customers. All property transferred to Fayetteville by Million Air shall be free and clear of any and all liens or encumbrances of any kind. The rate of payment for fuel shall be the delivered price of fuel

most recently purchased by Million Air for fuel delivered to Fayetteville's airport. Payment for aircraft engine oil shall be at the wholesale rate paid by Million Air. Payment for fuel and aircraft engine oil shall be in addition to any payment required pursuant to Section 7 of this Contract.

4. The Parties agree that Fayetteville will act as fueling agent for Million Air for purposes of the DLA contract. Million Air will take all steps necessary to designate Fayetteville as said fueling agent with the Defense Logistics Agency (DLA), through December 31, 2013. Million Air will make said designation known to DLA immediately upon execution of this Contract, if it has not already done so. The Parties agree that, through December 31, 2013, Million Air will promote Fayetteville's airport as a training destination for military flights. The Parties agree that Million Air shall bill DLA for all fuel purchases pursuant to the DLA contract and that DLA shall make full payment of said bills to Million Air. Million Air shall then pay over to Fayetteville all amounts less and except the total of \$0.47 per gallon of fuel sold. Payment for fuel by Million Air as required in this section shall be in addition to any payment required pursuant to Section 7 of this Contract.

5. Fayetteville agrees that it will make all reasonable efforts to hire as many qualified employees of Million Air currently stationed at Fayetteville's airport as are needed by Fayetteville for its own fixed-base operations. Fayetteville will follow all of its standard hiring practices, as well as all applicable provisions of local, state or federal law. The Parties agree that Fayetteville's agreement herein shall not be deemed to create third-party beneficiary rights for any current or future employee of Fayetteville, nor for any Fayetteville job applicant, nor for any employee of Million Air.

6. Million Air agrees to allow Fayetteville's employees or agents the right to be physically present during Million Air's removal of any of its remaining equipment and/or furnishings at Fayetteville's airport, and further agrees to allow Fayetteville the right of access to spaces and facilities occupied by Million Air at Fayetteville's airport in order to accommodate Fayetteville's set up of telecommunications hardware, including, but not limited to telephone and/or data lines.

7. Subject to credits, deductions and off-sets stated herein, Fayetteville agrees to pay and Million Air agrees to accept \$80,000.00 to perform as agreed herein. The Parties acknowledge and agree that Million Air currently owes the sum of \$45,000.00 to Fayetteville pursuant to the terms of the FBO agreement previously entered between Million Air and Fayetteville and that fifty percent (50%) of said sum owed shall be deducted by Fayetteville from the total \$80,000.00 payment due Million Air pursuant to this Contract, leaving a total payment to Million Air by Fayetteville of \$57,500.00. The remaining fifty percent (50%) owed by Million Air to Fayetteville pursuant to the terms of the FBO agreement is forgiven. Said \$57,500.00 owed shall be paid by Fayetteville to Million Air as follows:

- A. A payment of \$45,000.00 within seven (7) days of execution of this Contract.
- B. A payment of \$5,000.00 ninety (90) days after execution of this Contract, so long as Million Air has made timely payments to Fayetteville for fuel purchases pursuant to the DLA contract currently in place between Million Air and DLA and referenced in Section 4, above. If timely payments are not made during the ninety (90) days after execution of this Contract, this \$5,000.00 payment shall be deferred and made only upon final novation (assignment) of the DLA fueling contract to Fayetteville. To be timely, payments to Fayetteville for fuel pursuant to this subsection must be made by Million Air within forty-five (45) days of the date of the fuel purchase by DLA.
- C. A payment of \$7,500.00 upon final novation (assignment) of the DLA fueling contract to Fayetteville, which shall occur on or before December 31, 2013. If final novation (assignment) of the DLA fueling contract to Fayetteville does not occur by such date, or if payments due for fuel purchases referenced in Section 7(B) are unpaid, all further payments due Million Air pursuant to this Contract shall be forfeited and considered liquidated damages.

8. Changes, modifications, or amendments to any of the terms of this Contract shall not be allowed without a prior formal contract amendment, approved by the Mayor.

9. Freedom of Information Act. Fayetteville contracts and documents prepared while performing contractual work are subject to the Arkansas Freedom of Information Act. If an Arkansas Freedom of Information Act request is presented to Fayetteville, Million Air will do everything possible to provide the requested information in a prompt and timely manner as prescribed in the Act. Only legally authorized photocopying costs, pursuant to the Act may be assessed for this compliance.

10. Assignment. Neither of the Parties may assign this Contract, nor any interest herein, without written consent of the other party.

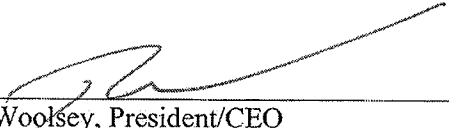
11. Integration. This Contract reflects the entire agreement of the Parties with regard to the subject matter herein stated. No other written or oral agreements between the Parties have been made.

12. Jurisdiction and Venue. The jurisdiction and venue for any dispute arising pursuant to this Contract shall be the Circuit Court of Washington County, Arkansas or the United States District Court for the Western District of Arkansas, Fayetteville Division, with Arkansas law applying to the case, without regard to conflicts of law principles.

AGREED UPON AND EXECUTED BY AND BETWEEN THE PARTIES ON THE DATE FIRST WRITTEN ABOVE.

**REW Investments, Inc.
Woolsey Aviation, Inc.
Go Fayetteville, LLC
(collectively "Million Air")**

City of Fayetteville, Arkansas

By: 
Roger Woolsey, President/CEO
Authorized Agent to Bind All Entities Listed

By: _____
Lioneld Jordan, Mayor

Attest: 

Attest: _____
City Clerk/Treasurer

CITY OF FAYETTEVILLE
 FAYETTEVILLE EXECUTIVE AIRPORT
 SCHEDULE OF MILLION AIR GSE
 6-Feb-13

NO.	ITEM/DESCRIP	MODEL	CONDITION
1	Tug	'84 Harlan CT120	Unknown - runs
2	Tug	Hammond ODV	Needs repair
3	GPU	Hobart 600	Average
4	GPU	Hobart Diesel	Needs repair - fuel leak
5	HD Towbar w/heads	AERO?	Used no apparent defects
6	Towbars GA small (2)	AERO?	Used no apparent defects
7	Towbars GA hand (2)		Used no apparent defects
8	Chocks Lg (27)		Used no apparent defects
9	Chocks sm (6)		Used no apparent defects
10	Road cones (30)		Used no apparent defects
11	Ladders (5)	generic 6'	Used no apparent defects
12	Fueling Mats (3)		Used no apparent defects
13	24V Battery Charger	DSR	Fair
14	Air compressor		Fair to poor
15	Lav Cart	Aerospecialties	Needs repair - wheels
16	Luggage cart		Good
17	De-ice trailer	Homemade	Unknown
18	Storage shelves (3)	Chrome wire	Used no apparent defects
19	Airband base station (2)	icom - A110	Used no apparent defects
20	Ice machine	Manitowoc	Average
21	Upright freezer		Average
22	Commercial cooler	Frigidaire	Average
23	Drum pump		Average
24	Lobby/office furnishings	Various	Average
25	Manager's office		Good
26	Line shack furniture		Average
27	Line service equip	wands/ear protect	Average
28	Hand held line radio (5)	Pro HT850	Average
29	Soda dspnsr & ice mach		Average

Plus various parts, attachments and appurtenances to the above-listed items.

EXHIBIT "A"