

---

# **CITY OF OCALA**

## **CITY COUNCIL REPORT**

---

**Council Meeting Date: 06/15/21**

---

Subject: Airport Terminal Restaurant Lease with Elevation 89 LLC

Submitted By: Matt Grow

Department: Aviation

---

**STAFF RECOMMENDATION** (Motion Ready): Approve Agenda Item (ID # 15759) airport terminal lease with Elevation 89, LLC to operate the airport terminal restaurant

---

**OCALA'S RELEVANT STRATEGIC GOALS:** Fiscally Sustainable, Quality of Place

---

**PROOF OF PUBLICATION:** May 15, 2019

---

### **BACKGROUND:**

The City published a Request for Proposals on April 9, 2019 seeking a company to operate a restaurant in space provided in the City's new General Aviation Terminal building. One company responded, Jeff's Construction Services d/b/a County Line Smokehouse (JCS). The management team of Jeff's Construction Services also operates the Mojo's brand of local restaurants, along with four other individually branded restaurants.

The City negotiated with JSC and on March 26, 2020 entered into a Memorandum of Understanding (MOU) identifying the main contract stipulations:

- Full service restaurant.

- Lease term of 5 years, with 5 year renewal.

- JSC option to terminate without cause after the first 3 years of the initial term.

- JSC responsible for all utilities.

- JSC to pay 4% of its gross revenues on a monthly basis as rent.

On January 19, 2021 the City entered into a construction contract with Blackwater Construction to build out the restaurant space. Blackwater is approximately 45% complete, with final completion in July 2021.

JSC has identified the name of the restaurant to be "Elevation 89" named after the field elevation of the airport.

This lease enables Elevation 89 to begin securing the necessary food and beverage permits, liquor license, and to take possession of the restaurant space to begin moving in their equipment and supplies required to open. Elevation 89 estimates that after their own construction responsibilities are complete, they will be open for business by October 21, 2021 (the date they scheduled a Business After Hours event through the Ocala/Marion Chamber Economic Partnership).

The Airport Advisory Board has been actively involved in the terminal restaurant operations, the negotiations with Elevation 89, and recommended approval of the lease at its May 27, 2021 meeting.

### **FINDINGS AND CONCLUSIONS:**

The restaurant is an important amenity for the flying public, is open to the non-flying public, and will serve breakfast, lunch and early dinner.

JSC has chosen "Elevation 89" as the name of the restaurant which is also the official field elevation of the Ocala International Airport.

Prior to Elevation 89, the Tailwind's Cafe operated out of the old Fixed Based Operator building under several different owners. Tailwind did not participate in the RFP process and chose not to submit a proposal.

Historically, the restaurant operation at the Ocala Airport has attracted the aviation and non-aviation community. Staff is optimistic the current airport restaurant in the new facility and under the ownership and management of Elevation 89 will increase the aviation activity of the airport. Additionally, with JSC's existing catering infrastructure and expertise, Elevation 89 is perfectly positioned to provide in-flight catering to corporate business jets, a lucrative amenity.

**FISCAL IMPACT:**

The lease provides for 4% of the operator's gross reported revenues to the Airport.

**PROCUREMENT REVIEW:**

The solicitation, and contract has been reviewed and approved for compliance with the City's procurement policies.

**LEGAL REVIEW:**

The lease will be reviewed for form and legality by Rob Batsel, City Attorney.

**ALTERNATIVE:**

Table

Deny

**SUPPORT MATERIALS:**

2020 Memo of Understanding Airport Restaurant (PDF)

Jeff's Construction Services - proposal (PDF)

Scope of Work (PDF)

FINAL Airport Restaurant Lease (PDF)