

Vesper Aviation FBO Transaction

Ground Lease and FBO Building Purchase and Sale Agreement

Mike Reid, Community and Economic Development Director

November 9, 2026

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Today's Briefing

Advisory Only – No Action Required

- Proposed terms of the Ground Lease and FBO Building Purchase and Sale Agreement with Vesper Aviation
- Planned termination of Glacier Aviation's three leases
- Staff returns with final documents for Commission action, planned for November 23

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Commission Goal for the Airport

Commission alignment at the July Commission Retreat

MAXIMIZE THE **ECONOMIC AND COMMUNITY VALUE** OF THE OLYMPIA REGIONAL AIRPORT

VISION 2050 · GOAL 6

How this transaction supports the goal

- Keeps FBO and fueling services in place under a committed new owner
- Puts the airport's main general aviation service area under a current lease with stronger FAA and operating provisions
- Provides escalating ground rent for 30 years and moves building costs to the tenant



Recent Graduate of flight training at Olympia Regional Airport (Glacier Aviation)

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Glacier Aviation Today

The FBO operator at Olympia Regional Airport, doing business with the Port since 2004

Hangar 51

Hangar operated as an event space since 2024

FBO Building

Port-owned office at 7645 Old Hwy 99 SE, built in 1941

Airlift NW

Lease expired August 31, 2026, and is now in month-to-month holdover



Glacier Jet Center, Olympia Regional Airport

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A Change in Operator; Not a Change in Function or Activities

Vesper Aviation is buying Glacier Aviation's business



Mike and Lori Theilen, Glacier Aviation



Vesper Aviation's FBO at Renton Municipal Airport (RNT)

- Vesper continues the FBO and related aviation services Glacier provides today
- One new ground lease replaces Glacier's three leases
- Vesper buys the FBO building; the Port keeps fee title to all of the land

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About Vesper Aviation

An FBO operator serving private and general aviation in Washington and Texas

RNT
Renton, WA
Operating

FWS
Fort Worth, TX
Operating

FTW
Fort Worth, TX
Coming soon

OLM
Tumwater, WA
Proposed

Services FBO services including fueling, line service, and ground handling, plus hangar and office leasing

Industry Member of the National Air Transportation Association (NATA)

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How New Tenants Are Vetted

The financial review is firewalled from the staff who negotiate the deal

Negotiation

Mike Reid – Community & Economic Dev
Warren Hendrickson – Operations Director & Interim Airport Senior Manager

FIREWALL

Independent financial review

Brent Barnes, Director of Enterprise Services and the Financial Team

What the applicant submits

- ✔ Business description, including full-time employees
- ✔ Washington registration and business license
- ✔ Assets it will use at the airport
- ✔ History of relevant business experience
- ✔ Entity structure and principals
- ✔ Three years of CPA-audited financials and tax returns
- ✔ Business plan: services, financing, and projections
- ✔ Release of FAA and state aviation agency records

Newer entities without three years of statements: Port due diligence form; a personal guarantee may be required

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How the Port Leases Airport Property

The Port leases land; private tenants own most of the buildings on it

Tenant owns the building

Builds or buys it, and pays all maintenance, repair, and replacement costs

Pays ground rent to the Port

Port owns the land

- Collects ground rent for the life of the lease
- Sets permitted uses, approves building plans, and consents to any sale or assignment
- The lease decides what happens to the building when it ends

5 Port-owned buildings airside

9 Port-owned hangar rows

All other airport buildings are tenant-owned on Port ground leases, such as the SpanaFlight building.

FBO Building today

One of only five Port-owned buildings airside; the Port carries its repair and capital costs

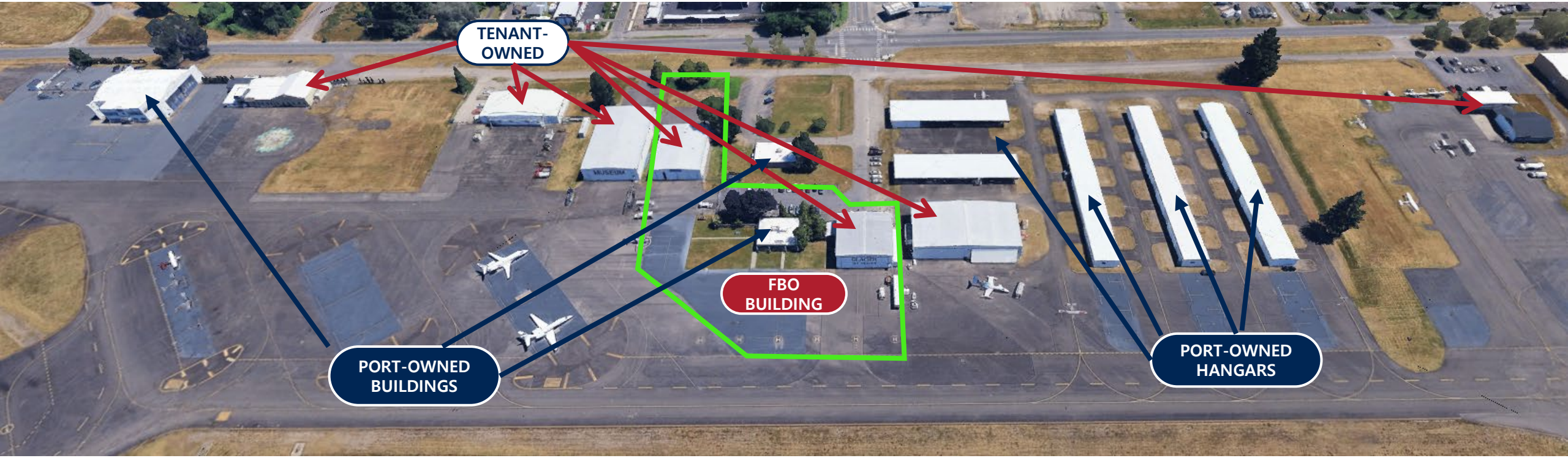
After this transaction

The FBO Building follows the standard model: Vesper owns the building, and the Port keeps the land

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Proposed Lease Area

About 2.85 acres: the same ground Glacier Aviation leases today



Proposed Vesper lease boundary

The Port owns only 5 buildings and 9 hangar bays airside

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Transaction with three linked parts

Ground Lease

30-year lease to Vesper replaces Glacier's three leases. The Port keeps fee title to all of the land.

Building Surplus and authorization to enter sale agreement

Declare the building surplus and authorize Executive Director to enter Purchase and Sale Agreement. FBO building improvements only. Closes within 30 days after rent begins.

Glacier Lease Termination

Glacier's three leases end on the day Vesper's Lease begins.

Key Lease Terms

Premises, term, and use

Premises

About 124,000 sq ft (2.85 acres): a 114,000 sq ft Lease Area plus a 10,000 sq ft Stormwater Area. The Lease will conform to a survey now underway.

Term

30 years, plus two 10-year renewal options. At each renewal, ground rent resets to the then-current Commission-adopted rate.

Use

Aeronautical activity is the primary use: offices, hangars, flight training, and other aviation businesses. "Aviation business campus" describes the three existing operations; the lease approves no new development.



The FBO area today

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Renewal Options and Upkeep Obligations

Extensions must be earned, and the property must be maintained for the full term



Red markers: renewal checkpoints

50 years maximum

At each renewal checkpoint

1. **Written notice:** Vesper notifies the Port at least 180 days before the term expires
2. **Good standing:** Vesper is not in default beyond the lease's notice and cure periods
3. **Rent reset:** Ground rent resets to the then-current Commission-adopted rate

Upkeep for the full term

- Triple-net: Vesper pays all maintenance, repair, and replacement
- Maintains stormwater facilities, landscaping, and striping

If the property is neglected: that is a default, and a tenant in default can't renew. At lease end, the Port can require removal and site restoration at Vesper's expense.

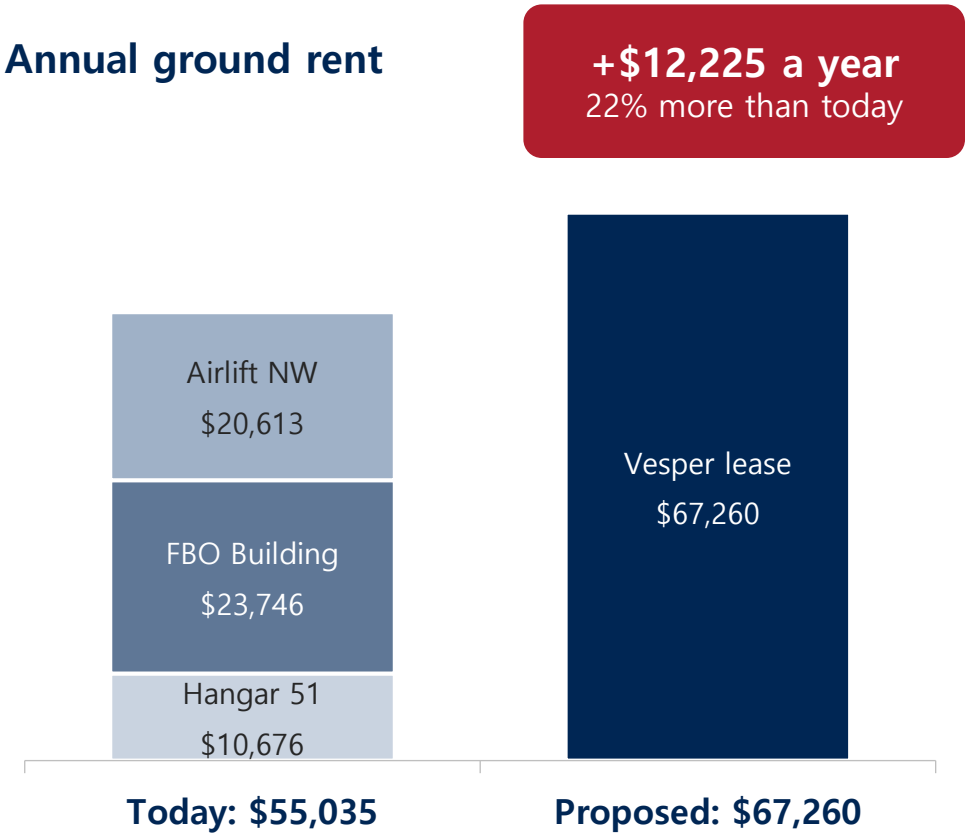
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Ground Rent: Today vs. Proposed

About $12,225 more per year from the same ground

Lease	Monthly	Annual
Hangar 51	$889.63	$10,675.56
FBO Building	$1,978.82	$23,745.84
Airlift NW	$1,717.77	$20,613.24
Today: Glacier, three leases	**$4,586.22**	**$55,034.64**
Proposed: Vesper, one lease	**$5,605.00**	**$67,260.00**
Difference	**+$1,018.78**	**+$12,225.36**

Today's total includes the rent the Port now receives for the FBO building. Amounts exclude Leasehold Excise Tax, which is collected on top for the State.



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Financial Impact

Triple-net ground rent that rises every five years, with no Port capital outlay

$67,260

First-year ground rent ($5,605 a month), up from $55,035 under Glacier's three leases

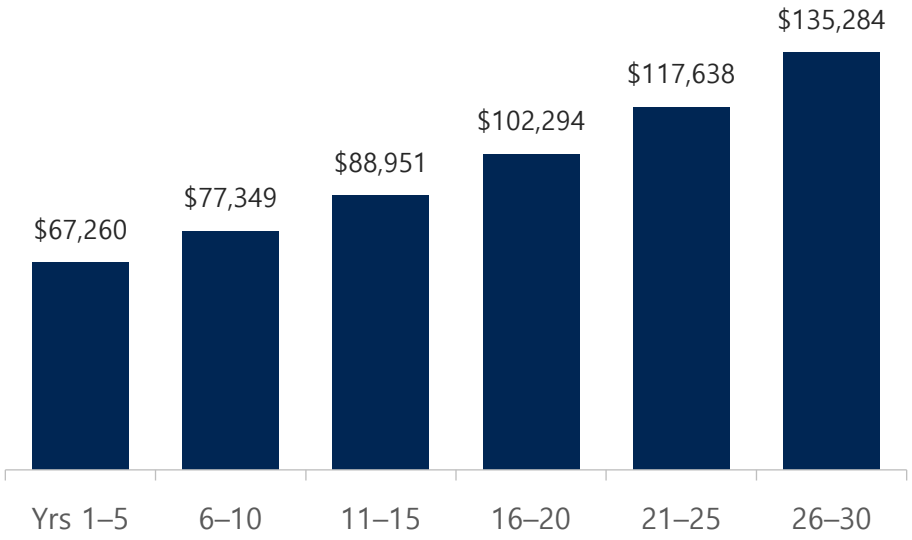
$102,000

One-time building sale proceeds, kept as airport revenue

$0

Port capital outlay

Annual ground rent by lease period



Rent rises 15% every five years (3% for each prior year). Leasehold Excise Tax (12.84%, $8,636 in year one) is collected on top for the State. Lease security: $75,896.18.

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FBO Building, 7645 Old Hwy 99 SE

Building Sale Terms

Purchase and Sale Agreement, improvements only

Price	$102,000 ($60 per sq ft) for about 1,700 sq ft, including the backup generator, based on the assessed value of a comparable FBO office
Payment	Paid in full at signing and held by the Port until closing; 5% ($5,100) is earnest money
Deed	Quit Claim Deed, AS-IS. Limits use to aeronautical, aviation-related, or complementary uses and reserves the Port's airspace rights
Closing	Within 30 days after rent begins, conditioned on Commission ratification and an RCW 53.08.090 resolution

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Benefits and Affected Parties

Services continue without a break under a current lease

- FBO and fueling services continue without interruption, and existing aviation jobs stay at the airport
- Three older leases, one in holdover, become one lease on the Port's current template
- The Port stops paying to maintain the FBO building, generator, stormwater facilities, and landscaping



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Keeping a Workforce Pipeline at the Airport

A business transfer keeps jobs and pilot training in place; a closure would not

~12	~40	~80	~10	$60K–$110K
Glacier employees today	Pilot students in training at any time	Pilot certificates and ratings earned each year	Career program graduates each year	Starting pay for helicopter pilots

When the business transfers

- An operating FBO and flight school change hands, so jobs have a path to continue
- Flight training is a permitted use under the new lease
- Graduates go on to aviation careers, from aerial tours to offshore oil rig support

If Glacier simply closed

- FBO and flight school jobs end
- About 40 students must find training somewhere else
- Fueling and FBO services level reduction

Commission Goal: *Maximize the economic and community value of the Olympia Regional Airport*

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Airlift Northwest at Olympia Regional Airport

UW Medicine's emergency air medical base operates from this leasehold

130

Patient flights, August–October 2026

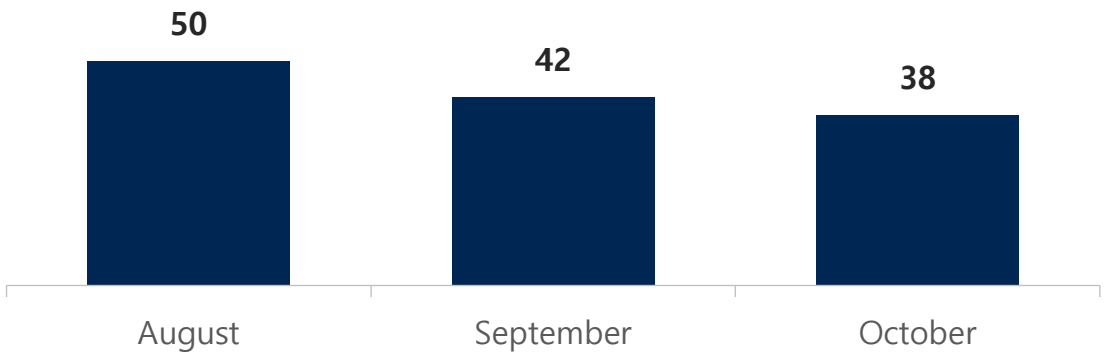
~10

Patient flights a week

~16

Local staff: 11 flight nurses, 4 pilots, 1 mechanic

Completed patient flights by month, 2026





Airlift Northwest helicopter

Under the new lease: the Airlift NW area, in holdover since August 31, 2026, moves to a current lease, and Vesper improves its parking lot in year one

Commission Goal: *Maximize the economic and community value of the Olympia Regional Airport*

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Environmental Review

Categorically exempt; the property stays in the same use

SEPA

The Port has determined that the transaction is categorically exempt under WAC 197-11-800(5). The lease and termination keep the property in the same aeronautical/FBO use, and the improvements-only conveyance of the FBO Building does not sell or transfer the airport or any public-use airfield facilities. The FBO Building is a tenant-operated aeronautical facility, and the Port has not specifically designated the building itself for public use.

The SEPA exemption applies only to this transaction. Any future project will be reviewed under SEPA when it is proposed, unless it independently qualifies for a SEPA exemption, and will also require any applicable Port plan approval and City of Tumwater permits. The lease does not waive or limit future review and permitting requirements.

Questions Raised About the Transaction

Short answers to questions raised by the public

Will this bring more jet traffic and noise?

The transaction adds no runway, hangar space, or land. Federal grant assurances, not building ownership, govern which aircraft can use the airport.

Does the lease allow new development?

No. Any new building needs Port plan approval, City permits, environmental review, and FAA approval of an Airport Layout Plan change.

Is it connected to the SpanaFlight property?

No. Staff have not discussed that property with Vesper, and any sale of it needs Port consent to assign its ground lease.

How does it relate to the Airport Master Plan?

It is separate. It carries out no master plan project and does not change the Airport Layout Plan.

Will the airport be less transparent?

No. The lease, sale agreement, Port approvals, and Vesper's required filings are all public records just as Glacier Aviation currently is.

Why isn't the building worth more?

It's a 1700 square foot office building, built in the 1940's, that has a use restriction that it can only be used for aviation supported purposes.

Next Steps

Commission action is planned for November 23

1

October 26

First advisory briefing to the Commission concerning the surplus of the FBO building

2

November 9

Second advisory briefing; no action tonight

3

November 23

Planned Commission action: Lease, Surplus and PSA authorization, Glacier lease termination

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Questions and Comments

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