



**COUNTY OF EL DORADO
COMMUNITY DEVELOPMENT AGENCY
ADMINISTRATION AND FINANCE DIVISION**

INTEROFFICE MEMORANDUM

Date: July 29, 2014

To: Board of Supervisors

From: Kate Sampson, Assistant Director, Administration and Finance

Subject: **Additional Information for Legistar File No. 14-0304 Regarding Airport Ground Leases**

Airport Ground Lease Process

Parties interested in an airport ground lease typically initiate the process by inquiring with airport staff. Proposed lessees may request in writing to enter into an Airport Ground Lease for Portable Hangars when buying an existing hangar or an Airport Ground Lease if the proposed lessee wants to build a new hangar at the airport. Airport staff tries to gather as much information as possible to help expedite the process (i.e., insurance, transfer fees, bill of sale) before submitting the information to the Community Development Agency's (CDA) Administration and Finance Division for lease development and processing to County Counsel and Risk Management. With those approvals, the lease is brought before the Board of Supervisors for consideration.

Airport Ground Lease Fees

In accordance with the County's Ordinance Code Title 18, Airports, Chapter 18.04, Section 18.04.100, Fees and Charges, fees for **airport ground leases are set by a Board-adopted resolution; therefore, lease fees are not negotiated.** The last airport fee adjustment was approved by the Board of Supervisors on June 29, 2010 as Resolution 097-2010 (Legistar File No. 10-0378). These fees were derived using the Consumer Price Index (CPI) and a comparative market value inquiry to other similarly-sized airports. During Fiscal Year 2014/2015 the CDA plans to conduct an Agency-wide fee study, targeted for completion by the end of the Fiscal Year. Airport fees will be included in this fee study. As in 2010, CDA staff will evaluate comparable fees at other similarly-sized airports and solicit feedback from airport advisory committee members.

Although the County's Airport Ground Leases for Portable Hangars and Airport Ground Leases have an initial ten-year term with two additional ten-year lease options, the leases contain a provision requiring lessees to pay an annual rental fee as established by the resolution in effect at each annual lease payment date. Therefore, fees are not locked in for the term of the lease and are commensurate with Board direction.