330 Fair Lane, Building A
Placerville, California
530 621-5390
FAX 622-3645
www.edcgov.us/bos/

Legislation Text

File #: 20-0540, **Version:** 1

Chief Administrative Office, Airports Division, recommending the Board approve and authorize the Chair to sign County of El Dorado Airport Ground Lease Agreements for Portable Hangars located at the Placerville Airport, which require a rental fee to be paid at commencement of the Lease Agreement and annually thereafter, which are based on fees established by Board Resolution in effect at the time each lease payment is due, and provides upon Board execution for an initial lease term of ten years with two additional ten-year lease options, as follows:
1) Lease Agreement 2003, between the County and Lessee, John V. Montorello, for a Single “T” Hangar located on Space SP-12, representing use of 812 square feet of ground at the Placerville Airport, with a commencement rental fee due of $792 (Attachment B); and
2) Lease Agreement 2004, between the County and Lessee, Mark E. Coverdale, for a Twin “T” Hangar located on Space TP-06, representing use of 1,086 square feet of ground at the Placerville Airport, with a commencement rental fee due of $1,068 (Attachment D). (4/5 vote required)

FUNDING: Placerville Airport Enterprise Fund - Fee Revenue.

DISCUSSION / BACKGROUND

Airport users with portable hangars must enter into a lease agreement with the County for the use of Airport property, in accordance with County Ordinance Code § 3.08.021. Each new ground lease agreement includes language required by the County and the Federal Aviation Administration.

These proposed lease agreements represent new ground leases upon which a privately-owned portable aircraft storage hangar will be utilized, and recognizes the change in ownership for the hangars occupying Placerville Airport Space SP-12 and Placerville Airport Space TP-06, John V. Montorello (Montorello Lease Agreement) and Mark E. Coverdale (Coverdale Lease Agreement), respectively.

The initial term of each lease agreement is ten years, with each Lessee given the right to extend the lease term for two additional ten-year lease options, under such terms and conditions as may be agreed upon at such time.

In accordance with County Ordinance Code § 18.04.100, Fees and Charges, fees for airport ground leases are set by a Board adopted Resolution; therefore, lease fees are not negotiated. Current Airport fees are in accordance with Resolution 183-2019 adopted by the Board on October 22, 2019, which established per Exhibit A the rental fees now referenced in both lease agreements as follows:
1) Montorello Lease Agreement with a set annual fee of $792 for a 812 square foot Single “T” Hangar; and
2) Coverdale Lease Agreement with a set annual fee of $1,068 for a 1,086 square foot Twin “T” Hangar.

Both the Montorello and Coverdale Lease Agreements provide for an annual adjustment of the rental fee amount should the Board adopt different rates in the future.

ALTERNATIVES

The Board could choose to:
1) Approve or disapprove on an individual lease agreement basis;
2) Approve the proposed Montorello and Coverdale Lease Agreements with a different term of the Board's choosing, for both the initial term and term options; or
3) Disapprove the proposed Montorello and Coverdale Lease Agreements, which will require removal of both portable hangars from County airport property, resulting in the loss of lease revenue until such time as new hangar placement requests are received and airport ground lease agreements are secured.

PRIOR BOARD ACTION

Adoption of Resolution 183-2019 (Attachment E) by the Board on October 22, 2019 (Item 31, Legistar 19-0663), titled "Resolution Establishing Chief Administrative Office, Airports Division Fee Schedule," thereby superseding Resolution 080-2019.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel and Risk Management (Attachments A and C)

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board approve this item.

FINANCIAL IMPACT

Upon commencement, the Placerville Airport Enterprise Fund will receive annual revenue of $792 from the Montorello Lease Agreement for use of Space SP-12, and annual revenue of $1,068 from the Coverdale Lease Agreement for use of Space TP-06. Lease rates are based on hangar type and square footage and set by a Board adopted Resolution. Should the Board adjust rates in the future, the annual lease payments reflected below will also adjust commensurate with Board direction.

CLERK OF THE BOARD FOLLOW UP ACTIONS

1) Clerk of the Board will obtain the Chair's signature on the two (2) original copies of the Montorello Lease Agreement and the Coverdale Lease Agreement; and
2) Clerk of the Board will return one (1) fully executed original copy of the Montorello Lease Agreement and Coverdale Lease Agreement to the County Procurement and Contracts Division, Building C of the County Government Center, for transmittal to the respective leaseholders.

STRATEGIC PLAN COMPONENT

Economic Development and Good Governance.

CONTACT

Creighton Avila, Deputy Chief Administrative Officer
Chief Administrative Office, Airport Administration