



Legislation Text

File #: 23-1540, **Version:** 1

FUNDING: Placerville Airport Enterprise Fund - Fee Revenue.

DISCUSSION / BACKGROUND

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

The proposed lease represents a renewed ground lease, upon which a privately-owned portable aircraft storage hangar is being utilized, for the hangar occupying Placerville Airport Space H-21 with owner Mike Worth (Worth Lease).

A requirement of a ground lease includes proof of insurance per County requirements. The Lessee provided a copy of insurance which has been reviewed and approved by the County's insurance tracking vendor, Ebix. A copy of the Ebix report is attached (Attachment C).

This lease includes a term effective upon Board execution and expiring ten (10) years thereafter. Upon expiration of the initial term, Lessee shall have the right to extend the term for an additional two (2) ten (10) year lease options under such terms and conditions as may be agreed upon at such time. After expiration, the County may issue a written notice authorizing the Lessee to holdover as a holdover tenant with a month-to-month term under the same lease terms and conditions, including Section 3 regarding payment of a prorated share of the annual rent due. The County may terminate at any time the holdover period upon thirty (30) days written notice.

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 (Attachment D) adopted by the Board on October 22, 2019, which establishes per Exhibit A the rental fee for Lease 2067 (Worth Lease) with an annual fee of \$2,856.06 for a hangar utilizing 2,902.50 square feet of designated Airport property. This lease provides for an annual adjustment of the rental fee amount should the Board adopt different rates in the future.

A 4/5 vote is required in accordance with County Ordinance Code § 3.08.021(B) as authorized by Government Code Section 25536 or any successor statute.

On August 22, 2023, the Board approved a First Reading of an update to the Airports ordinance related to the delegation of authority to the Planning and Building Director on ground leases, temporary use agreements, and county-owned hangars (Legistar #23-0736). A second and final reading is scheduled to be considered by the Board on September 12, 2023. Upon adoption of the ordinance a 30-day waiting period will commence. Therefore, your Board will continue to see individual leases on the consent calendar until implementation of the ordinance updates.

ALTERNATIVES

The Board could choose to:

- 1) Approve the lease with a different term of the Board's choosing.
- 2) Disapprove the lease, which will require removal of the portable hangar from County Airport property, resulting in the loss of lease revenue until such time as a new hangar placement request is received and an airport ground lease is secured.

PRIOR BOARD ACTION

The Board approved a first reading of ordinance amendments that would delegate certain signature authority to the Planning and Building Director on August 22, 2023 (Legistar 23-0736).

Adoption of Resolution 183-2019 (Attachment D) 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

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Lease rates are based on hangar type and square footage set by the Board Adopted Resolution 183-2019. Should the Board adjust rates in the future, the annual lease payment reflected below will also adjust commensurate with Board direction.

Upon commencement, the Placerville Airport Enterprise Fund will receive annual revenue in the amount of \$2,856.06 for use of Space H-21.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Obtain the Chair's signature on the two (2) original copies of the Worth Lease; and,
- 2) Return one (1) fully executed original copy of the Worth Lease to the Planning and Building Department, Airports Division, to the attention of Angelic Madson, for transmittal to the Lessee.

STRATEGIC PLAN COMPONENT

Economic Development and Good Governance

CONTACT

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Planning and Building Department