



Legislation Text

File #: 14-0970, **Version:** 1

Community Development Agency, Administration and Finance Division, recommending the Board approve and authorize the Chair to sign the County of El Dorado Airport Ground Lease for Portable Hangars No. 167-L1511 for Hangar Space No. H-36 (Rectangular Hangar, Land Lease) with Clyde Creel in an amount of \$1,373 per year as established by Resolution 097-2010, for 10 years with two additional 10-year lease options, located at the Placerville Airport. (4/5 vote required)

FUNDING: Placerville Airport Enterprise Fund - Fee Revenue.

Fiscal Impact/Change to Net County Cost

The Placerville Airport Enterprise Fund will receive revenue of \$1,373.00 per year for a rectangular hangar at the Placerville Airport. The lease rate per unit is set by Resolution 097-2010. Should the Board adjust rates in the future, annual lease payments will also adjust, commensurate with Board direction.

Background

Airport users with portable hangars must enter into a lease agreement with the County for the use of Airport property in accordance with Ordinance Code § 3.08.021. The lease agreement includes language required by the Federal Aviation Administration and the County, as approved by the Board on August 18, 2009.

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.

Reason for Recommendation

Board of Supervisors Policy F-5 states: "The word 'hangar' in the four categories refers to a privately-owned portable aircraft storage hangar constructed by a Lessee. That Lessee has entered into or holds an interest in an Airport Land Use Agreement for Portable Hangars (Lease) with the County of El Dorado for the hangar site." The proposed agreement is a new land lease with Clyde Creel, upon which a 2,600 square foot privately-owned portable aircraft storage hangar will be utilized. Mr. Creel and Richard Johnston entered into a lease agreement with the County in 2012. The lease was split evenly between Mr. Creel and Mr. Johnston. Since that time, Mr. Johnston sold his fifty percent (50%) share to Mr. Creel, and Mr. Creel is entering into a new land lease agreement with the County for Hangar Space No. H-36 at the Placerville Airport.

In 2010, the Board of Supervisors set the rate for rectangular hangar land leases at \$0.044 per square foot per month, which brings the subject land lease to a rounded total of \$1,373.00 per year. The proposed lease provides for annual adjustment of this amount if the Board adopts different rates in the future. The Community Development Agency (CDA) business plan for Fiscal Year 2014/2015

calls for a fee rate study, including those related to Airport property.

Clerk of the Board Follow Up Actions

The Clerk of the Board will return one fully executed original of County of El Dorado Airport Ground Lease for Portable Hangars No. 167-L1511 to the CDA, Administration and Finance Division, for transmittal to the Lessee.

Contact

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Community Development Agency

Concurrences

County Counsel
Risk Management