



## Legislation Text

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**File #:** 15-0497, **Version:** 1

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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 263-L1611 for Hangar Space H-16 (Rectangular Hangar, Land Lease) with Dana P. Murphy in an amount of \$1,320 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.

### **DEPARTMENT RECOMMENDATION**

Community Development Agency, Administration and Finance Division (CDA), recommending the Board approve and authorize the Chair to sign the County of El Dorado Airport Ground Lease for Portable Hangars #263-L1611 for Hangar Space No. H-16 (Rectangular Hangar, Land Lease) with Dana P. Murphy (Lessee) in an amount of \$1,320.00 per year as established by Resolution 097-2010, for 10 years with two additional 10-year lease options, located at the Placerville Airport.

### **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 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. The initial term of the lease is ten (10) years; the Lessee has 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.

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.

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 Dana P. Murphy, upon which a 2,500 square foot privately-owned portable aircraft storage hangar will be utilized.

In 2010, the Board of Supervisors set the rate for land leases of this size at \$0.044 per square foot per month, which brings the subject land lease to \$1,320.00 per year. The proposed lease provides for annual adjustment of this amount if the Board adopts different rates in the future. The CDA will present a fee rate study to the Board in 2016; the fee rate study will include a recommendation related to ground leases for Airport property.

## **ALTERNATIVES**

N/A

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel and Risk Management

## **CAO RECOMMENDATION**

Chief Administrative Office concurs with staff's recommendations.

## **FINANCIAL IMPACT**

The Placerville Airport Enterprise Fund will receive revenue of \$1,320.00 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.

## **CLERK OF THE BOARD FOLLOW UP ACTIONS**

- 1) The Chair will sign two (2) originals of the County of El Dorado Airport Ground Lease for Portable Hangars #263-L1611.
- 2) The Clerk of the Board will return one (1) fully executed original to CDA, Administration and Finance Division, for transmittal to the Lessee.

## **STRATEGIC PLAN COMPONENT**

Economic Development, Effective Services, Financial Stability

## **CONTACT**

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Community Development Agency