



## Legislation Text

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**File #:** 15-0502, **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 466-L1611 for Hangar Space TP-11, a Twin "T" Hangar located at the Placerville Airport, with Gordon J. Smith in an amount of \$1,433.52 per year as established by Resolution 079-2016 for ten years with two additional ten-year lease options. (4/5 vote required)

**FUNDING:** Placerville Airport Enterprise Fund - Fee Revenue.

### **DEPARTMENT RECOMMENDATION**

Community Development Agency (CDA), 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 466-L1611 (Land Lease) for Hangar Space TP-11, a Twin "T" Hangar located at the Placerville Airport, with Gordon J. Smith in an amount of \$1,433.52 per year as established by Resolution 079-2016 for ten years with two additional ten-year (10-year) lease options.

### **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.

The proposed agreement is a new Land Lease with Gordon J. Smith, upon which a 1,086 square-foot privately-owned portable aircraft storage hangar will be utilized. The initial term of the Land Lease is ten years; the Lessee has the right to extend the term for two additional 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. Airport fees were approved by the Board on May 3, 2016 (Item 31) under Resolution 079-2016.

In accordance with Section 5D, Use of Premises, in the subject Land Lease, the Lessee has been given permission to rent his hangar to others; therefore, the Lessee pays the Commercial Use Rate as established by Resolution 079-2016. The current rate for land leases of this type is set at \$0.11 per square-foot per month, which brings the subject Land Lease to \$1,433.52 per year. The proposed Land Lease provides for annual adjustment of this amount if the Board adopts different rates in the future.

### **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 \$1,433.52 per year for the subject Land Lease at the Placerville Airport. The lease rate per unit is set by Resolution 079-2016, approved by the Board on May 3, 2016 (Item 31). 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 466-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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