



Legislation Text

File #: 20-0975, **Version:** 1

Planning and Building Department, Airports Division, recommending the Board approve and authorize the Chair to sign County of El Dorado Airport Ground Leases for Portable Hangars, which require a rental fee to be paid at commencement of the lease and paid annually thereafter in accordance with fees established by Board Resolution in effect at the time payment is due, and providing upon Board execution a lease term of ten years, as follows:

- 1) Lease 2012, between the County and Lessee, Michael Alan Gennis, for a privately owned Rectangular Hangar located on Space H-08 at the Placerville Airport, representing use of 1,512 square feet of Airport ground, with a commencement rental fee due of \$1,487.81 (Attachment B);
- 2) Lease 2013, between the County and Lessee, Michael L. Turney and Janice R. Turney, for a privately owned Twin "T" Hangar located on Space TP-19 at the Placerville Airport, representing use of 1,086 square feet of Airport ground, with a commencement rental fee adjusted upward from \$1,068.00 to \$2,137.25, representing the calculated commercial rate when hangar is used for rental purposes to others, per Lease Section 12(A) (Attachment D); and
- 3) Lease 2014, between the County and Lessee, Trevor A. Haun and Jennifer L. Haun, for a privately owned Twin "T" Hangar located on Space TP-10 at the Placerville Airport, representing use of 1,086 square feet of Airport ground, with a commencement rental fee due of \$1,068.00 (Attachment F). (4/5 vote required)

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 leases represent new ground leases, upon which a privately-owned portable aircraft storage hangar will be utilized, and recognizes a change in ownership for those hangars occupying:

- > Placerville Airport Space H-08, new owner Michael Alan Gennis (Gennis Lease);
- > Placerville Airport Space TP-19, new owner Michael L. Turney and Janice R. Turney (Turney Lease); and
- > Placerville Airport Space TP-10, new owner Trevor A. Haun and Jennifer L. Haun (Haun Lease).

Each lease includes a term effective upon Board execution and expiring ten (10) years thereafter. Upon expiration of the initial ten year term, each lessee may extend the term for an additional two (2) ten (10) year lease options under the terms and conditions that are in effect at that time. Should expiration occur before a new lease is secured, the County may, by issuing a written notice in accordance with Lease Section 23, "Holding Over," authorize the Lessee to holdover as a holdover tenant with a month-to-month term under the same lease terms and conditions, including Lease Section 3, "Consideration, Items A-F," 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 adopted by the Board on October 22, 2019, which establishes per Exhibit A the rental fees now referenced in each lease, as follows:

> Gennis Lease with a calculated annual fee of \$0.082 per square foot per month times 12 months, equal to \$1,487.81 for a Rectangular Hangar utilizing 1,512 square feet of designated airport property;

> Turney Lease with a flat annual fee of \$1,068.00 for a Twin "T" Hangar utilizing 1,086 square feet of designated airport property, with said annual fee adjusted upward to \$2,137.25 in recognition of the hangar's current rental status to others, reflecting use of a calculated commercial annual fee of \$0.164 per square foot per month times 12 months in accordance with Lease Section 12, "Lessee's Obligations to Comply, Item A"; and

> Haun Lease with a flat annual fee of \$1,068.00 for a Twin "T" Hangar utilizing 1,086 square feet of designated airport property.

Each 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.

ALTERNATIVES

The Board could choose to:

- 1) Approve the proposed Gennis, Turney, and Haun Leases with a different term of the Board's choosing;
- 2) Approve or disapprove the proposed Gennis, Turney, and Haun Leases on an individual lease basis;
- 3) Disapprove the proposed Gennis, Turney, and Haun Leases which will require removal of the 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 leases are secured.

PRIOR BOARD ACTION

Adoption of Resolution 183-2019 (Attachment G) 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, C, and E)

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

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.

Upon commencement, the Placerville Airport Enterprise Fund will receive annual revenue in the amount of \$1,487.81 from the Gennis Lease for use of Space H-08, \$2,137.25 from the Turney

Lease for use of Space TP-19, \$1,068.00 from the Haun Lease for use of Space TP-10, which combined represents \$4,693.06 in annual revenue.

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 Gennis Lease, Turney Lease, and Haun Lease.
- 2) Clerk of the Board will return one (1) fully executed original copy of the Gennis Lease, Turney Lease, and Haun Lease to the County Procurement and Contracts Division, attention of Sandy Ewert, located in Building C of the County Government Center, for transmittal to the respective Lessee.

STRATEGIC PLAN COMPONENT

Economic Development and Good Governance.

CONTACT

Chris Perry, Assistant Director
Planning and Building Department

Tiffany Schmid, Director
Planning and Building Department