



Legislation Text

File #: 22-1534, **Version:** 1

Planning and Building Department, Airports Division, recommending the Board approve and authorize the Chair to sign County of El Dorado Airport Ground Lease 2039, between the County and Lessee, Venkat Tirumala, for a privately-owned hangar located on Space H-36 at the Placerville Airport, representing use of 2,600 square feet of Airport ground, with commencement rental fee due of \$2,558.40 that requires a rental fee to be paid at commencement of the lease and paid annually thereafter in accordance with fees established by the Board Resolution in effect at the time payment is due (currently Board Resolution 183-2019 approved by the Board on October 22, 2019, Item 31, Legistar 19-0663), and upon Board execution, a lease term of ten years. (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 lease represents a new ground lease, upon which a privately-owned portable aircraft storage hangar will be utilized, and recognizes a change in ownership for the hangar occupying Placerville Airport Space H-36, new owner Venkat Tirumala (Tirumala Lease).

A requirement of a new ground lease includes proof of insurance per County requirements. The Lessee has provided a copy of insurance which has been reviewed and approved by County Risk Management.

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 C) adopted by the Board on October 22, 2019, which establishes per Exhibit A the rental fee for Lease 2039 (Tirumala Lease) with an annual fee of \$2,558.40 for a hangar utilizing 2,600 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.

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

Adoption of Resolution 183-2019 (Attachment C) 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 \$2,558.40 for use of Space H-36.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Obtain the Chair's signature on the two (2) original copies of the Tirumala Lease; and,
- 2) Return one (1) fully executed original copy of the Tirumala 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

Chris Perry, Assistant Director
Planning and Building Department