



Legislation Text

File #: 23-0077, **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, that require a rental fee to be paid at commencement of the lease and paid annually thereafter in accordance with fees established by Board Resolution 183-2019 adopted by the Board on October 22, 2019 (Item 31, Legistar 19-0663), in effect at the time payment is due, and upon Board execution, a lease term of ten years as follows (4/5 vote required):

- 1) Lease 2040, between the County and Lessee, Thomas Webber, for a privately-owned Hangar located on Space TP-05 at the Placerville Airport, representing use of 1,086 square feet of Airport ground, with commencement rental fee due of \$1,068 (Attachment B);
- 2) Lease 2050, between the County and Lessee, Hi Line Motorsports Inc., for a privately-owned Hangar located on Space TP-26 at the Placerville Airport, representing use of 1,411 square feet of Airport ground, with commencement rental fee due of \$1,381 (Attachment C);
- 3) Lease 2051, between the County and Lessee, California Construction Control, Inc., for a privately-owned Hangar located on Space SP-28 at the Placerville Airport, representing use of 812 square feet of Airport ground, with commencement rental fee due of \$792.00 (Attachment D); and,
- 4) Lease 2054, between the County and Lessee, Hi Line Motorsports Inc., for a privately-owned Hangar located on Space SP-04 at the Placerville Airport, representing use of 812 square feet of Airport ground, with commencement rental fee due of \$792 (Attachment E).

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 these hangars occupying:

- Placerville Airport Space TP-05, owner Thomas Webber (Webber Lease 2040);
- Placerville Airport Space TP-26, owner Hi Line Motorsports Inc. (Hi Line Motorsports Inc. Lease 2050);
- Placerville Airport Space SP-28, owner California Construction Control, Inc. (California Construction Control, Inc. Lease 2051); and,
- Placerville Airport Space SP-04, owner Hi Line Motorsports Inc. (Hi Line Motorsports Inc. Lease 2054).

A requirement of a new ground lease includes proof of insurance per County requirements. Each Lessee provided a copy of insurance which has been reviewed and approved by the County's insurance tracking vendor, Ebix. A copy of the Ebix report is attached (Attachment F).

Each lease includes a term effective upon Board execution and expiring ten (10) years thereafter. Upon expiration of the initial term, Lessees 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 each 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 adopted by the Board on October 22, 2019, which establishes per Exhibit A (Attachment G) the rental fees now referenced in each lease, as follows:

- Webber Lease 2040 with an annual fee of \$1,068.00 for a Hangar utilizing 1,086 square feet of designated airport property; and,
- Hi Line Motorsports Inc. Lease 2050 with an annual fee of \$1,381.00 for a Hangar utilizing 1,411 square feet of designated airport property; and,
- California Construction Control, Inc. Lease 2051 with an annual fee of \$792.00 for a Hangar utilizing 812 square feet of designated airport property; and,
- Hi Line Motorsports Inc. Lease 2054 with an annual fee of \$792.00 for a Hangar utilizing 812 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 or disapprove on an individual lease basis; or,
- 2) Approve the Webber Lease, California Construction Control, Inc., and both Hi Line Motorsports Inc. Leases, with a different term of the Board's choosing; or,
- 3) Disapprove the proposed Webber Lease, California Construction Control, Inc., and both Hi Line Motorsports Inc. Leases, that 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

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 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 \$1,068 from the Webber Lease 2040 for use of Space TP-05; \$1,381 from the Hi Line Motorsports Inc. Lease 2050 for use of Space TP-26; \$792 from the California Construction Control, Inc. Lease 2051 for use of Space SP-28; and, \$792 from the Hi Line Motorsports Inc. Lease 2054 for use of Space SP-04, which combined represents \$4,033 in annual revenue.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Obtain the Chair's signature on the two (2) original copies of the Webber Lease, California Construction Control, Inc. Lease, and both Hi Line Motorsports Inc. Leases; and,
- 2) Return one (1) fully executed original copy of the Webber Lease, California Construction Control, Inc. Lease, and each Hi Line Motorsports Inc. Lease to the Planning and Building Department, Airports Division, to the attention of Angelic Madson, for transmittal to the respective Lessees.

STRATEGIC PLAN COMPONENT

Economic Development and Good Governance.

CONTACT

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Planning and Building Department