County of El Dorado

Legislation Text

File #: 23-0698, **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 2052, between the County and Lessees, Richard A. Wampach and Greg H. Stein, for a privately-owned Hangar located on Space TP-15 at the Placerville Airport, representing use of 1,086 square feet of Airport ground, with commencement rental fee due of $1,068 (Attachment B); and,

2) Lease 2057, between the County and Lessee, Sprague Family Trust, for a privately-owned Hangar located on Space SP-30 at the Placerville Airport, representing use of 812 square feet of Airport ground, with commencement rental fee due of $792 (Attachment C).

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-15, owners Richard A. Wampach and Greg H. Stein (Wampach and Stein Lease); and,
- Placerville Airport Space SP-30, owner Sprague Family Trust (Sprague Family Trust Lease).

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 D).

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 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 E) the rental fees now referenced in each lease, as

follows:
- Wampach and Stein Lease with an annual fee of $1,068 for a Hangar utilizing 1,086 square feet of designated Airport property; and,
- Sprague Family Trust Lease with an annual fee of $792 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;
2) Approve the Wampach and Stein Lease and the Sprague Family Trust Lease with a different term of the Board's choosing; or,
3) Disapprove the proposed Wampach and Stein Lease and the Sprague Family Trust Lease, 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 E) 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 Wampach and Stein Lease for use of Space TP-15; and, $792 from the Sprague Family Trust Lease for use of Space SP-30, which combined represents $1,860 in annual revenue.

CLERK OF THE BOARD FOLLOW UP ACTIONS
1) Obtain the Chair's signature on the three (3) original copies of the Wampach and Stein Lease and on the two (2) original copies of the Sprague Family Trust Lease; and,
2) Return two (2) fully executed original copies of the Wampach and Stein Lease and one (1) fully executed original copy of the Sprague Family Trust 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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