



Legislation Text

File #: 10-0457, **Version:** 1

Department of Transportation recommending Board Chair be authorized to terminate the Ground Leases with John Wetsel dated October 18, 1993, Lawrence E. Alleman, Trustee of the Alleman Family Trust Dated March 13, 1992 09-52869, at the Placerville Airport and Ben Hollingsworth 132-L0611 at the Georgetown Airport; and recommending the Board authorize the Chair to sign the 10 year Ground Lease for Portable Hangars with Dennis Thomas 10-52971, Mike Worth 10-52972 at the Placerville Airport and Randy Johnson 10-52975 at the Georgetown Airport. (4/5 vote required)

FUNDING: Placerville and Georgetown Airports Enterprise Fund - Fee Revenue.

Fiscal Impact/Change to Net County Cost:

The County will continue to receive annual revenue in the total amount of *\$1,985.00 from the leases listed as set by Resolution 232-2004. There is no net cost to the County General Fund associated with this agenda item.

*There is a proposed rent increase scheduled for approval by the Board under a separate agenda item at the June 29, 2010 Board meeting. The proposed fee increase, if approved by the Board, will commence on July 1, 2010 and is not included in the above stated amount.

Background:

The leases the Department of Transportation (DOT) is requesting to be terminated are with former tenants who have sold their interests in their hangars to new owners. The new tenants who have purchased those hangars would normally have been assigned to the previous tenant's lease. The Airports have requested the new tenants enter into a new Ground Lease. This enables the Airports to update the contractual language now required by the Federal Aviation Administration and the County of El Dorado. All of the current Ground Leases will be replaced with a 10-year Ground Lease Agreement containing the new language which was approved by the Airport Committee and your Board on August 18, 2009.

It was necessary for Airports to hold off on submitting the new leases to your Board until all of the required insurance certificates had been obtained. We have now obtained all of the necessary insurance certificates and are presenting the leases in a packaged presentation as requested by your Board. All of the tenants are current with their lease payments.

Gary Vorderbruggen (10-52942) purchased the hangar on Space #9 from Patrick and Cheryl Leeds who had purchased it from Ben Hollingsworth. Mr. and Mrs. Leeds were in the process of entering into an agreement with the County but sold their interests to Mr. Vorderbruggen and the Leeds' agreement was never processed. At the same time Randy Johnson purchased the hangar on Space #7 from Rodger Musso, but prior to entering into an agreement with the County, he informed the Airports that Mr. Vorderbruggen and he had traded hangars. Mr. Vorderbruggen's agreement has been processed and approved by your Board on May 11, 2010, item #11 and the Airports is now presenting Mr. Johnson's agreement for acceptance. The tenants continued to pay and the County continued to accept rent from the tenants. The actions requested in this item will remedy these

agreements by putting in place new 10 year Ground Leases.

Reason for Recommendation:

Airport users with portable hangars must enter into a ground lease with the County of El Dorado for the use of Airport property.

Action to be taken following Board approval:

1. The Board Chair will execute the Ground Lease Agreements.
2. The Clerk of the Board to return one fully-executed copy of each Ground Lease Agreement to DOT (Airports) for transmittal to Lessee.

Contact:

James W. Ware P.E.
Director of Transportation

Concurrences: County Counsel and Risk Management