RESOLUTION - ACTION REQUESTED 2015-109

MEETING: March 10, 2015

TO: The Board of Supervisors

FROM: Doug Wilson, Interim Public Works Director

RE: Approve Revisions to Airport Leases

RECOMMENDATION AND JUSTIFICATION:
Approve Revisions for Hangar, Ground Space, Tie-Down and Commercial Lease Agreements at the Mariposa-Yosemite Airport.

Public Works recommends revisions to the hangar (County owned), ground space (privately owned) and tie-down agreements to reflect revised rental lease adjustment amounts. New language has been added under Rental Lease Adjustments that the amount for rental payments may be adjusted annually to reflect the Consumer Price Index (CPI) prepared by the United States Department of Labor, Bureau of Labor Statics, using the weighted average of CPI (all urban consumers for the State of California). The amount of increase shall be based on the CPI or 2%, whichever is less. The maximum increase shall not exceed 2% in any one year.

Lessee's of the privately-owned hangars have requested that the term of the lease agreement be for a period of 10 years. This is not an unusual request and in the past the ground space lease agreements have been approved for this length of time. Staff and County Counsel concur with the 10 year lease agreement term. Currently all lease agreements expire on March 31, 2015.

The Airport Advisory Committee (AAC) recommends that the "USE" of the premises on the hangar, ground space and tie-down leases agreements be amended as well. The current lease agreements restricts the storage of boats, automobiles, recreational vehicles or other non-aeronautical use. The AAC recommends that this restriction be removed. Public Works staff and County Counsel do not concur with the requested amendment to the "USE" of the premises and recommend no change to this section.

The commercial lease agreement is a new agreement. There is an aircraft mechanic on site that is currently leasing two County-owned hangars to operate his business without a lease agreement. He is requesting the term of the lease be for a minimum of 10 years.

All lease agreements have been reviewed by County Counsel and the Airport Advisory
BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Board has approved like lease agreements in the past.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve. The lessee’s will continue to pursue the changes and will occupy hangars, ground space, tie-downs and commercial space without a lease agreement.

FINANCIAL IMPACT:
No financial impact

ATTACHMENTS:
Rental Agreement-Ground Space 1-22-15  (DOC)
Rental Agreement-Hangars 1-22-15  (DOC)
Rental Agreement-Tie Down 1-22-15  (DOC)
Rental Agreement-Commercial 2-10-15  (DOCM)
Market Rent Survey  (PDF)
Email from Ruth Catalan Regarding H.2 - Airport Lease Agreements  (PDF)

CAO RECOMMENDATION
Requested Action Recommended

Mary Hoedson, County Administrator

RESULT:  ADOPTED [UNANIMOUS]
MOVER: Marshall Long, District III Supervisor
SECONDER: John Carrier, District V Supervisor
AYES: Smallcombe, Jones, Long, Cann, Carrier
COUNTY of MARIPOSA
P.O. Box 784, Mariposa, CA 95338 (209) 966-3222

MERLIN JONES, CHAIR
JOHN CARRIER, VICE-CHAIR
ROSEMARIE SMALLCOMBE
MARSHALL LONG
JOHN CARRIER

DISTRICT II
DISTRICT V
DISTRICT I
DISTRICT III
DISTRICT V

MARIPOSA COUNTY BOARD OF SUPERVISORS
MINUTE ORDER

TO: TONY STOBBE, Public Works Director
FROM: RENE’ LaROCHE, Clerk of the Board
SUBJECT: Approve Revisions for Hangar, Ground Space, Tie-Down and Commercial Lease Agreements at the Mariposa-Yosemite Airport

Resolution: 15-109

The following action was taken by the Mariposa County Board of Supervisors on March 10, 2015:

2. PUBLIC WORKS

Approve Revisions for Hangar, Ground Space, Tie-Down and Commercial Lease Agreements at the Mariposa-Yosemite Airport

Tony Stobbe gave the staff report, with Gary Taylor/Assistant Director of Public Works - Operations in attendance. Mr. Stobbe advised that the Airport Advisory Committee (AAC) has reviewed the agreements and provided input; noted that the current leases all expire on March 31st; and discussed the insertion of an annual escalation clause that would be based on the Consumer Price Index (CPI), as well as new lease terms of ten years for privately owned hangars on County property.

Gary Taylor advised that the AAC had recommended some changes regarding storage in hangars; advised that County Counsel was consulted; and noted that staff is recommending maintaining the same language. Supervisor Jones discussed his agreement with leaving the language in to ensure that hangars are for airport use only. Mr. Taylor discussed Federal Aviation Administration (FAA) rules on the matter. Supervisor Jones requested update regarding a motorhome being stored at the airport, and as to use of hangars for storage by Public Works. Mr. Taylor noted that he will need to check on the motorhome, and that Public Works will have vacated by March 31st.

Supervisor Long inquired as to who sets the rates, and when they will be set. Mr. Taylor responded that the present AAC recommendation is to maintain the current rates, but that Board has the option to change that. Supervisor Long also required clarification of whether our rates will be in line with other like airports in the region. Mr. Taylor noted that a study done about a year ago showed that we are lower than nearby airports. Supervisor Long inquired as to power and other amenities in those other hangars, and stated that we should be close in rates to Columbia and Calaveras airports depending on the amenities. Mr. Taylor was unsure of that information, but noted that they can gather it; and remarked that Pine Mountain Lake is one of the closest, that their prices are higher, but that they have amenities that we do not. In response to an inquiry from
Supervisor Jones, Mr. Stobbe noted that there are two hangars currently vacant.
Supervisor Cann discussed the importance of the escalation clause.
Supervisor Carrier noted that rates were a factor about a year or so ago; inquired if it would be appropriate to investigate before the leases expire; and questioned the time that would be needed for same. Mr. Taylor noted that they should be able to accomplish a comparison within a week. Supervisor Carrier inquired if the Board is interested in providing such direction. Supervisor Jones noted that the two empty hangars show demand.
Mr. Stobbe noted that he did review the results of the rate study that was mentioned, and noted that he does not think that we are grossly undercharging or overcharging. Mr. Taylor noted that the rate at Pine Mountain Lake is approximately $45 per month compared to our $31 per month.
Supervisor Long remarked that he thinks the Board can approve the leases and request a report back with a lease comparison.
No public input.

Chair Jones noted email input was received and is on the back table.
In response to Supervisor Smallcombe's query regarding procedure, Mary Hodson noted that the Board can approve the item as recommended, and request a report; and clarified that this item does not change rates and if such a revision is sought, then another item would need to come back before the Board. Supervisor Carrier noted that he does not want staff to spend a lot of time on this issue, but would like to be able to answer public concerns regarding rates and amenities. Mr. Taylor clarified that this item seeks to change the term of years on the agreement form, as well as to add an escalation clause; and that they can investigate rates separately.