



*Hangar Tenant Town Hall
Meeting to
Review the Proposed
Hangar Lease*

August 17, 2017

~ Ground Rules ~



- Everyone is deserving of respect.
- Don't talk over one another
- Respect everyone's opinions, diversity exists and is helpful.
- Solution oriented discussion that is open and honest.

This proposed lease has been developed in consultation with CAHOA Board members, airport staff, other county staff, the FAA, and other airports.

History and Purpose of Hangars

- Airport opens in 1976.
- County does not have funds to install hangars.
- Opens airport for private hangar installation with the obligation to sell back to County.
- That obligation changed in the 1980's and hangars could be sold on open market.

PURPOSE has ALWAYS been to store and operate an aircraft owned by the individual that owns or rents a hangar.

The “what’s and whys” of the proposed lease...

Members of CAHOA stated the Agreement is obsolete, staff agrees.

- Update / modernize language.
- Reflect current practice AND industry best practices.
- Incorporate language from partner documents (Airports Rent & Fee).
- Majority of Lease remains the same.

The “what’s and whys” of the proposed lease...

ADD ability for most tenants to store additional aircraft if they have room. (Current Practice)

ADD ability for tenant to store one motor vehicle. (Current Practice)

ADD discretion to extend beyond 90 days. (Current Practice)

ADD language regarding non-airworthy aircraft. (from Rent & Fee)

ADD language to reference FAA Policy on hangar use and grant assurances. (New)

ADD language regarding tenant maintenance/painting , sales inspection. (from Rent & Fee)

How We Got Here and What's Next....

- Public Comment Given (almost a year ago)
- Meetings with CAHOA leadership
- Search for modern agreements to use as sample (KSBA)
- Enlist County Counsel to assist with DRAFT
- More meetings with CAHOA leadership
- Notice to tenants
- Tonight's Town Hall meeting
- Make revisions
- Public meeting process

The Goal is NOT to take
over the hangars, lower
values, or displace
tenants from the
airports.

We Value Every Tenant!

10%

or less...

Removing First Right of Refusal, and instead using CAHOA recommendation:

“Give 15 Day Notice of Intent to Sell, County buys if transaction is right for both parties.”

Examples of Hangar Misuse

Cardboard Box Airplane

Tenant claims that cardboard box with bicycle wheels is an aircraft project. Tenant subleases hangar.

Not Compliant with FAA Policy and Lease.

Examples of Hangar Misuse

Tenant owns 1 aircraft, and has multiple hangars

Tenant occupies either the private hangar or the county hangar, and subleases the other.

Not Compliant with Lease

Examples of Hangar Misuse

Tenant subleases private hangar for non-aviation storage

Subtenant used as warehouse storage.

Not Compliant with FAA Policy and Lease.

Examples of Hangar Misuse

Tenant has project aircraft in hangar and subleases additional space to another user

Tenant chooses to not work on the project (or never intended to) and hangar becomes a direct sublease. Tenant is storing parts to mask the sublease.

Not Compliant with FAA Policy and Lease.

HANGAR LEASE COMPARISON – SUMMARY OF KEY TERMS

Subject Matter	Current Lease	New Lease	Change/No Change
Hangar Contents	Limited to storage of aircraft, associated aeronautical equipment. Clause 8	Adds additional allowed items. Clause 2	Change: Adds ability to store pilot planning furniture.
Additional Stored Aircraft	Not allowed, but practiced on limited basis	Yes – see requirements in Clause 7	Change: Adds ability to store additional aircraft for most tenants.
Aircraft Maintenance Limitations	Yes Clauses 8 and 11	Yes Clause 2 and 18	No change. Required to meet Building & Safety Code (storage vs. maintenance hangars)
Storage of a Motor Vehicle	Not allowed, but practiced	Yes – one motor vehicle allowed. Clause 6	Change: Adds ability to store one motor vehicle.
Aircraft Insurance	Yes Per R&F	Yes Clause 12	Change: Incorporates into lease.
Hangar Inspection Report Required for Sale of Hangar	No Clause 16 requires approval of alterations	Yes, Clause 2 Clause 24 requires approval of alterations	Change: Protects County, Sellers and Buyers from unpermitted or unapproved changes to hangar.
Replacement Aircraft Req. Within 90 Days	Yes – 90 days only. Clause 20	Yes, plus gives County discretion to extend past 90 days. Clause 5	Change: Provides County with opportunity to extend limit.

HANGAR LEASE COMPARISON – SUMMARY OF KEY TERMS

Subject Matter	Current Lease	New Lease	Change/No Change
FAA Requirements	No	Yes Clause 31	Change: Adds necessary FAA Policy and Grant Assurance Language.
List Type of Pilot's Certificate and No.	Yes Last Page	Yes First Page	No Change.
Relocatable Hangar	Yes Clause 1	Yes Clause 1	No Change.
Termination Clauses	Yes Clauses 3 and 4	Yes Clauses 9 and 10	No Change.
Aircraft Must be Airworthy	Yes Per R&F	Yes, but adds Airworthy or Under Construction, Clause 3	Change: Incorporates into lease.
Aircraft Under Construction – 90 Day Inspections	Yes Per R&F	Yes Clause 4	Change: Incorporates into lease.
Period of Lease	Month to Month Clause 2	Month to Month Clause 8	No Change.
County Access/Right to Inspect Hangars	Yes Clause 15	Yes Clause 23	No Change.
Hangar Subleasing	Not Allowed. Clause 19	Not Allowed. Clause 27	No Change.

Two Issues Remain:

- Additional Stored Aircraft
 - An owned aircraft must be airworthy, then allowed.
- Request to sublease hangars
 - Not permitted currently.
 - Will permit under a commercial lease structure.

Current Practice

Additional Stored Aircraft

- Tenant made aware upon hangar signup.
- Tenant needs space for project.
- Removes opportunity to disguise sublease and eases administrative burden.
- Reduces opportunity for conflict between tenant and county regarding reasonable progress.

Request to sublease hangars

- Not permitted currently.
- Recommending to permit under a commercial lease structure.
- If tenant wishes to sublease, we will negotiate a long term lease consistent with other commercial leases (APL and EHW).
- Reversion is a standard clause and will be included.

Q&A and Input

