

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

ITEM NUMBER: 11

DATE: June 1, 2004

STAFF: Dave Gordon

SUBJECT

Second Reading of Ordinance No. 082, 2004, Authorizing the Long-Term Lease of Property at the Fort Collins-Loveland Municipal Airport to Russ Katz for the Construction of an Aircraft Hangar.

RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

EXECUTIVE SUMMARY

This Ordinance, which was unanimously adopted on First Reading on May 18, 2004, authorizes the long-term lease of property for the purpose of constructing a 60 foot by 64 foot hangar for Mr. Katz's personal aircraft storage. The land lease includes additional land around the hangar for use by the tenant.

ORDINANCE NO. 082, 2004
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE LONG-TERM LEASE OF PROPERTY AT
THE FORT COLLINS-LOVELAND MUNICIPAL AIRPORT
TO RUSS KAMTZ FOR THE CONSTRUCTION OF AN AIRCRAFT HANGAR

WHEREAS, the Cities of Fort Collins and Loveland (the “Cities”) jointly own and manage certain real property in Larimer County that is the site of the Fort Collins-Loveland Municipal Airport (the “Airport Property”); and

WHEREAS, the Cities have set aside a portion of the Airport Property for lease to parties desiring to conduct aeronautical activities and support activities at the airport; and

WHEREAS, pursuant to Section 23-111 of the Code of the City of Fort Collins, the Council is authorized to lease any and all interests in real property owned in the name of the City, provided that Council first finds that the lease is in the best interests of the City; and

WHEREAS, the Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Municipal Airport between the Cities specifically recognizes the leasing of Airport Property as a valid use of the jointly owned Airport Property; and

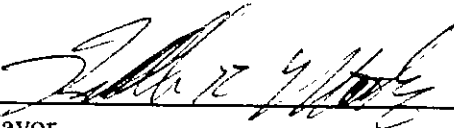
WHEREAS, Russ Kamtz has indicated a desire to lease a portion of airport property, described in the attached Exhibit “A”, for the construction and maintenance of an aircraft hangar.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the proposed lease of the property described in the attached Exhibit “A” to Russ Kamtz upon the terms of the lease hereafter referenced, is in the best interests of the City.

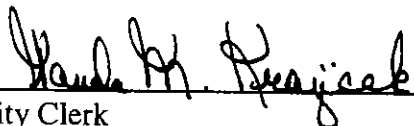
Section 2. That the Mayor is hereby authorized to enter into the long term lease of the property described in Exhibit “A” to Russ Kamtz, in substantially the form entitled “Lease Agreement, Cities of Loveland and Fort Collins, Colorado and Russ Kamtz” which is on file with the City Clerk of the City of Fort Collins, Colorado, subject to such modifications in form or substance as the Mayor, in consultation with the City Attorney, may deem necessary to effectuate the purposes of this Ordinance or to protect the interests of the City.

Introduced and considered favorably on first reading and ordered published this 18th day of May, A.D. 2004, and to be presented for final passage on the 1st day of June, A.D. 2004.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading this 1st day of June, A.D. 2004.

Mayor

ATTEST:

City Clerk

**AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL**

ITEM NUMBER: 11

DATE: May 18, 2004

STAFF: Dave Gordon

SUBJECT

First Reading of Ordinance No. 082, 2004, Authorizing the Long-Term Lease of Property at the Fort Collins-Loveland Municipal Airport to Russ Kamtz for the Construction of an Aircraft Hangar.

COPY

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

The lease will generate \$2,016 annual income to the Airport. There are no additional City expenses associated with this lease.

COPY

EXECUTIVE SUMMARY

The ground lease allows Mr. Kamtz to construct a 60 foot by 64 foot hangar for personal aircraft storage. The land lease includes additional land around the hangar for use by the tenant. The ground lease form agreement has been changed from past agreements. A review of the lease has been conducted by Airport staff, City staff including attorneys and the Airport master plan consultant. The recommendations from this review have been incorporated into the new agreement. The lease changes are as follows: the lease rate has been increased from \$.15 per square foot per year to \$.30 per square foot per year for all of the leased premises, the rental rate is adjusted annually by the consumer price index versus every five years now the Cities have the option of purchasing the improvements prior to the expiration of the lease term; the lease term is 20 years with four (4) five-year extensions versus 25 years and three (3) five-year extensions.

The new lease rate and annual rate adjustments were established from data collected by the Airport's master plan consultant. The consultant surveyed local airports and similar sized airports from across the nation to establish the recommended ground lease rate and adjustment schedule changes. The new agreement also includes ground around the hangar as leased premises instead of just the footprint of the building as is currently being done.

The new lease form and rates will be used for similar ground leases for private hangars in the future.