

## **MEMORANDUM**

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**DATE:** June 28, 2021

**TO:** Honorable Mayor and City Commissioners

**VIA:** James Slaton, City Manager

**FROM:** Teresa Allen, Public/Support Services Director

**REGARDING:** Hangar Land Lease Agreement – LW Hangar, LLC.

**SYNOPSIS:** The City Commission will consider a hangar land lease agreement at the Lake Wales Municipal Airport.

### **RECOMMENDATION**

1. Authorize the mayor to execute a hangar land lease agreement between LW Hangar, LLC and the City for 49,140 square feet (1.13 acres) of land space for the purpose of developing and constructing a 4-bay aircraft hangar.

### **BACKGROUND**

Chapter 3-Airport, Section 3-30 of the City of Lake Wales Code of Ordinances allows the city to lease hangars, pasture lands and other airport property to individuals, firms or corporations.

LW Hangar, LLC is requesting to lease land at the Lake Wales Municipal Airport to construct a 4-bay aircraft hangar (49,140) square feet, at a rate of (\$300.00) per month (\$3,600.00) per annum.

Rent commencement date shall be the earlier of the twelve months after the effective date or upon issuance of the Certificate of Occupancy. The annual base rent shall remain unchanged for the first five years and thereafter shall be adjusted in the amount to be determined by the percentile change in the Consumer Price Index.

Pilots with larger aircraft are accustomed to certain amenities at airports. Having their aircraft fueled by airport staff is one. The Lake Wales Municipal Airport does not provide this service; therefore, the City is allowing LW hangar, LLC to purchase a fuel truck to provide fuel delivery service to all aircraft in their hangar. Self-fueling is allowable by the Federal Aviation Administration (FAA) guidelines. When the City is able to provide such service the City will provide this service at a cost not to exceed the wholesale fuel cost per gallon plus \$1.25.

The initial term of this lease shall be for a period of thirty (30) years. Upon expiration of the initial term, Lessee shall have the option to extend the lease for one (1) additional ten (10) year renewal term. Lessee shall provide notice of electing any renewal term by providing written notice to lessor any time before the expiration of each prior term.

Proof of insurance is required before issuance of the Certificate of Occupancy (exhibit C).

### **OTHER OPTIONS**

The City Commission may choose not to authorize the execution of the lease agreement at this time.

**FISCAL IMPACT**

Airport revenue of \$3,600.00 annually.

**ATTACHMENTS**

Lease Agreement

Exhibit A: Lease premises depiction/legal description

Exhibit B: Easement depiction

Exhibit B1: Legal description of easements

Exhibit C: Insurance