# BILL 2018-13

****First Reading****

## AGENDA ITEM

TO: Mayor and City Council

FROM: Drew Bontrager, Public Works Director

SUBJECT: Airport Ground Lease

DATE: April 2, 2018

## PURPOSE

The attached bill would authorize the City Manager to sign a twenty-year lease agreement with an option for a one-time extension of ten years, with On Site Corp for the lease of ground; specifically Lot #3, located at the Cameron Memorial Airport.

## BACKGROUND

In 2012 the Airport expanded an area for development of corporate type box hangars. This development consisted of four smaller lots and three large lots. Development has progressed good as this is the last of the small lots. With this development we lease the ground or "lots" for the private construction of each individual hangar. At the conclusion of the lease, all improvements become City property.

This development is advantageous to both parties. The City does not have to come up with the initial capital to construct each hangar, and there is still growth in Airport use, fuel sales, etc. The tenant can save a considerable amount of money over the term of a traditional lease and they are able to construct the hangar to their preferences and specifications. There are however certain pre-established building guidelines each must follow to maintain some consistency with this development and our Airport.

The base rate for this lot is $450 annually, and does provide for a cumulative annual rate adjustment. The term of the lease commences on the first day of the month following final Council approval. During the term of the lease, all improvements to the ground are covered under the tenant's insurance.

## RECOMMENDATION

We recommend that the Council adopt the attached bill authorizing the City Manager to enter into the agreement with On Site Corp for the long term lease of ground at the Cameron Memorial Airport.

Bill 2018-13

# AN ORDINANCE AUTHORIZING THE EXECUTION OF A LEASE BETWEEN THE CITY OF CAMERON, CLINTON, DeKALB AND CALDWELL COUNTIES, MISSOURI AND ON SITE CORP (DUANE BAILEY) FOR LOT #3 LOCATED AT THE CAMERON MEMORIAL AIRPORT

**WHEREAS**, the City of Cameron owns ground for the development of clear span box hangars located on property at the Cameron Memorial Airport; and

**WHEREAS**, the City desires to lease ground for a twenty-year term with an option for an additional one-time ten year extension starting at $450 per year; and

**WHEREAS**, Duane Bailey, On Site Corp desires to lease the ground, specifically Lot #3, attached as Exhibit A, on the Airport property for construction and use of a hangar, all pursuant to the Lease Agreement ("Agreement"); and

**WHEREAS**, at the end of the Lease term, all improvements constructed on the Lot will revert back to the City of Cameron; and

**WHEREAS**, the City is authorized to lease properties at fair market value.

**NOW, THEREFORE, BE IT ORDAINED** by the City of Cameron, Clinton, DeKalb and Caldwell Counties, Missouri as follows:

Section 1. The City Manager is hereby authorized to enter into a contract with On Site Corp (Duane Bailey) for the lease of Lot #3 at the Cameron Memorial Airport, all as per the agreement attached hereto and made a part hereof.

Section 2. The City Manager is authorized to execute ancillary documents necessary to effect this transaction.

Section 3. The Mayor is hereby authorized to sign this ordinance on behalf of the City of Cameron.

Section 4. The City Clerk is hereby directed to attest to the Mayor's signature.

Section 5. This Ordinance shall be in full force and effect from and after its passage.

First Reading

Passed and approved on first reading this 2nd day of April, 2018.
Passed and approved on second reading this _____ day of April 2018.
Passed and approved on third reading this _____ day of April 2018.

_____
Mayor Darlene Breckenridge

ATTEST:

_____
City Clerk

First Reading