BILL 2012-4

****** First Reading ******

AGENDA ITEM

TO: Mayor and City Council

FROM: Drew Bontrager, Public Works Director

SUBJECT: Airport Ground Lease

DATE: January 17, 2012

PURPOSE

The attached bill would authorize the City Manager to sign a twenty-year agreement with an option for a one-time extension of ten years, with N.W. Electric Power Coop, for the lease of ground, Lot #2, located at the Cameron Memorial Airport.

BACKGROUND

All Lot leases specific to this project are the exact same and authorize the City to lease ground or "lots" for private construction of individual hangars. There are certain pre-established building guidelines each must follow such as building size, building materials, etc. However, there is still enough flexibility to allow each tenant to tailor the hangar to their specifications.

The base rate for Lots #1-#4 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. At the conclusion of the lease, all improvements become City property. 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 N.W. Electric Power Coop, for the long-term lease of ground at the Cameron Memorial Airport.

Bill 2012-4

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LEASE BETWEEN THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI & N. W. ELECTRIC POWER COOP, FOR LOT #2 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, N.W. Electric Power Coop desires to lease the ground, specifically Lot #2, 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 and DeKalb Counties, Missouri as follows:

Section 1. The City Manager is hereby authorized to enter into a contract with N.W. Electric Power Coop for the lease of Lot #2 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.

Passed and approved on first reading this 17th day of January 2012.
Passed and approved on second reading this _____ day of _____ 2012.
Passed and approved on third and final reading this _____ day of _____ 2012.

_____
Mayor Frank A. Buck

ATTEST:

_____
City Clerk/Finance Clerk

First Reading