



Airport Fee and Policy Changes Frequently Asked Questions

Is the County going to cancel my lease?

No. Current leases will not be cancelled. However, any transfer or sale of a hangar will require a new lease with the new owner. We will not be allowing for reassignment of leases that have outdated terms.

Are you proposing to institute a reversionary clause in leases?

Yes, but only for new ground leases where the lessee is leasing undeveloped land for the purpose of installing a new hangar. Reversionary clauses are common throughout airports and are a critical component for a sustainable business model. With this new lease model, at the end of the 30-year term, newly-built hangars will revert to the County and become County-owned hangars. At the end of the term the owner will have the option to enter into a new lease at the County-owned lease rate. This will NOT apply to old hangars that have been purchased by a new owner. For old hangars, lease terms will not include reversion and the lease term will not exceed 10 years.

Why is the lease term for County-owned hangars and ground leases limited to 10 years?

Most County-owned property can only be leased in accordance with strict public bidding procedures, and agreements are only approvable by the Board of Supervisors. Airports are exempted from these requirements in certain cases (see Ordinance Code section 3.08.021), but lease terms cannot exceed 10 years. We will no longer be including an option for extensions of leases. If your 10-year term is complete, you will need to submit a new application and get a new lease.

Can the County deny me a lease on a hangar I purchased?

Yes, in certain circumstances. A personal use ground lease could be denied if the application does not contain the information required by the County, and the applicant has not supplied that information in a timely manner after the County requested it, if the applicant or agent has provided false or misleading information or failed to fully disclose important facts in the application or supporting documentation, or if the applicant has a record of violating the minimum standards or the rules and regulations of any airport, Federal Aviation Regulations, prior lease terms, or any other rules and regulations applicable to the County Airports.

If I am a current commercial operator with a negotiated lease rate, will this rate change once my lease has expired?

Yes. All FBOs and Single Service Operators (SSOs) are considered Commercial and will fall under the adopted Commercial lease rates (rates are posted here). Any FBOs or SSOs that do not have a current negotiated lease with the County will fall under the Commercial lease rate. The County will no longer be negotiating different lease rates for commercial operations. Commercial tenants must submit the

commercial application fee for preparation of a new lease, which will be tailored to the specific commercial activities and may contain additional conditions. Commercial leases will be prepared for review and partial execution by the tenant, and then will go to the Board of Supervisors for final approval and full execution.

What do the new application fees cover, and will I be charged more than the fee listed on the fee schedule?

The new application fees were determined based on the approximate staff time to review an application, prepare the lease, and execute the lease. These fees must be paid before we can put together your new lease, and they apply whether your lease is expiring and you need a new lease, you are accepting a County-owned hangar rental space from the waiting list, or you have just purchased a hangar from a private party. It is expected that the fee will cover the time it takes to process the application and the lease. However, in the past some leases have taken more staff effort to complete because the applicant/tenant is not ready with all insurance information. In these cases, or for especially complex leases, it may be necessary to convert the charge to time and materials (T&M) in order to complete the lease process. Should this occur, the applicant would be notified and would sign an agreement to pay the County based on time billed to the application and lease preparation.

If I sell my hangar, do I need to pay the hangar transfer fee and the application fee?

No, you will pay one or the other, depending on your situation. The transfer fee will apply when a hangar transfers ownership and Airport staff have determined that the seller's lease has up-to-date terms and conditions so it can remain in place with a new tenant assigned. The buyer and seller will need to complete the Assignment of Lease form and submit this to the Airport office along with proof of the sale. The application fee will only apply when the buyer needs a new lease because the lease term has ended, or the existing lease with the seller is out of date and Airport staff has determined that the new lease template should be used. In 2025 a new lease template has been developed to incorporate recent policy changes (See <u>Policy F-10, County-Owned Airports – Regulations, Security, and Leases</u>), so most hangar sales will require a new lease and an application fee, but no transfer fee.

What can I expect for increases for ground lease rates?

There have been no proposed increases to the rates yet, except for that we are no longer going to be negotiating rates for any commercial activity, including FBOs or SSOs. The County is moving forward with fee study for hangar and ground leases, with the intent that the rates be established at market rate. We will be holding a public meeting to discuss this study and welcome all current tenants and interested parties. For more updates on this, make sure you are on our email list by contacting <u>airportoperations@edcgov.us</u>.

If I have a small job and I need an airplane mechanic to come onsite to provide the service, will that individual be required to fill out an offsite operator application?

Yes. An Offsite Aeronautical Operator or Service Provider is a business entity engaged in Commercial Operations at the airport who does not lease property from the County, such as an independent

mechanic or flight instructor. These business entities must fill out an Offsite Operator Application and pay the one-time fee of \$60 to cover staff time to review and process the application. The one-time application fee is a new fee. Once the application is approved, the Airports Director will prepare an access agreement setting forth the terms and conditions governing the land or facility use. All approved Off-site Operators will be charged a monthly fee of \$112 for access to the airport, or can choose to operate on a daily basis and pay \$25 per day. If ongoing access to the airport is needed, the Offsite Operator must also be assigned an access device and pay any associated fees. Tenants should not use their access device to allow access to any offsite operators, and new offsite operators should always contact the Airport Office immediately upon arrival, whether by land or by air, prior to engaging in any work. If an agreement lapses due to the operator no longer providing services, a new application would need to be submitted and the application fee paid in order to issue a new access agreement. Please refer to EDC Ordinance <u>Code section 18.30.050</u> for details. Please be a good neighbor and do not engage in any services with providers that do not have legitimate and current access agreements, as this is harmful to a healthy business environment at your airport.

I am a certified flight instructor, and I sometimes provide lessons out of El Dorado County airports. What do I need to do to follow the new policies?

You will need an Offsite Operator Agreement. You can contact the Airport office to complete your application, and to pay the application fee. All approved Off-site Operators will be charged \$112 for monthly or \$25 per day, depending on your frequency of business. If you operate out of both airports, you will only need one application fee and one access agreement, but you will need to pay separately for the access device for each airport, as applicable.

If I sublease my personal hangar to another individual, is that considered a commercial lease?

No. A sublease of a personal hangar to another individual is considered a personal use lease, not commercial, and will be charged at the personal use ground lease rate.