

# **CHIPPEWA VALLEY REGIONAL AIRPORT COMMISSION**

## **LAND LEASE GUIDELINES**

*Final 7-17-08, Rev. 1 12-17-15, Rev. 2 7-19-19, Rev. 3 8-21-20, Rev. 4 7-23-21*

CVRA encourages private development of hangars and aviation related facilities on the airport property and will endeavor to support such development, consistent with the Airport's operational objectives. Any exceptions to these guidelines may be considered by the Airport Commission.

### **Land Lease Guidelines**

In accordance with the Airport long-term objectives, the north hangar area is reserved for cargo and large corporate hangar development. As a result, it is desired that all new private hangars be constructed in the south hangar area. In the event that a private hangar lease is granted for a new or existing (including renewals or extensions) hangar in the north hangar area, the lease shall include the following provision:

*Lessor at its sole discretion, reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance. If the development of the Airport requires the relocation of the Lessee, the Lessee agrees to remove all buildings at no cost to the Lessor within 120 days of receiving notice from Lessor. Lessee understands that this Agreement is subordinate to provisions and requirements of any existing and future agreements between the Lessor and the United States relative to the development, operation or maintenance of the Airport.*

### **New Construction of Privately Owned Hangers**

- Must meet minimum standards and construction guidelines as established by the airport commission.
- Land Lease Rates are established annually by the airport commission and shall be used for determining the base rent of any new land lease.
- Each Lease shall provide for periodic adjustments as established from time to time by the airport commission. The basis for the adjustment shall be clearly defined within the lease, in accordance with the guidelines in place at the time the lease is negotiated and agreed upon.
- All Land Leases shall be "Triple Net Leases" – tenants are responsible for utility, insurance, taxes, and related costs directly associated with site leased.
- Private Hanger Owners pay:
  - Prorated share of blacktop installation or replacement from taxiway to hanger
    - For blacktop improvements, tenants may pay cash at the start of the project or borrow from the Airport for a maximum 10 year period at 1% over the airport borrowing rate

- Prorated share of all utility and infrastructure cost, not funded by FAA
- Term of initial Lease shall be of sufficient duration to amortize the investment, but not exceed 40 years.
- Tenants are required to pay for all associated utility and applicable infrastructure cost of utility installation in advance of construction or remodel of an existing facility.
- Leases are transferable and assignable provided notice is given to the Airport Director prior to the sale of any hangar
- Lease rates and adjustments as set forth in the lease are continued upon sale of hangar if the original lease is transferred.
- Building rent is based on building footprint total square footage area plus parking area if additional parking area is designated in the lease agreement.
- Hangers must be used primarily for aircraft storage and other uses shall not conflict with airport policies.
- Hangers may not be used for the storage of aircraft owned by someone other than the hangar owner unless the storage is free of charge or prior approval is given by the Airport Director.
- At the end of the lease period, tenants will have the option to remove the hangar and restore the leased area to the original condition at the tenants expense or the hangar will revert back to the Airport.

### **Land Leases on Existing Privately-Owned Hangers**

- Existing Land Lease terms shall be honored through the termination date of each lease.
- If permitted by the existing lease, leases may be transferred or assigned, provided notice is given to the Airport Director prior to the sale, transfer or assignment of any hangar.
- Lease rates and adjustments shall be determined by the terms set forth in the existing lease.
- New Owners will be subject to the existing lease terms and conditions, and all applicable airport or FAA regulations.
- Requests for any alterations to existing leases are subject to the discretion of the Airport Director. Any alteration of the existing lease shall require the leaseholder to sign a new lease agreement reflecting current land lease practices as approved by the Commission.
  - When a new lease agreement is signed by a New Owner after an existing privately-owned hangar is sold, the New Owner may request additional years be added to the term of the Lease when there is 10 years or less remaining on the initial term of the lease.
  - Additional term will only be added in exchange for a new monetary investment in the hangar. The investment must exceed the life of the additional term which shall not exceed a one-time 20 year extension. The one-time extension of the land lease is for the life of

the hangar regardless of the number of owners and the extension is in addition to the remaining term of the original lease. Investment in the hangar must be agreed upon in advance by the Airport Director and the New Owner.

- Hangers may not be used for the storage of aircraft owned by someone other than the hangar owner unless the storage is free of charge or prior approval is given by the Airport Director.
- The Lessee may not remove any structure or facility located on the leased premises during the term of the lease, except when the airport requires hangar relocation prior to the end of the term of the lease.
- At the end of the lease period, tenants will have the option to remove the hangar and restore the leased area to the original condition at the tenants expense or the hangar will revert back to the Airport.