

SPECIAL CALL MEETING

AGENDA
SHAWNEE AIRPORT AUTHORITY
JUNE 9, 2023 AT 1:00 PM
COMMISSION CHAMBERS AT CITY HALL
16 WEST 9TH STREET
SHAWNEE, OKLAHOMA

Official action can only be taken on items which appear on the agenda. The public body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the public body may refer the matter to Staff or back to Committee or the recommending body. Under certain circumstances, items are deferred to a future date or stricken from the agenda entirely.

CALL TO ORDER

DECLARATION OF QUORUM

1. Consideration of a resolution to Temporarily Stay Rental Rate Increases for Fiscal Year 2023-2024.
2. Consideration of granting authority to City Manager for the execution of Aircraft Storage Leases and Lease Amendments.
3. Adjournment

Respectfully submitted,



Lisa Lasyone, CMC, City Clerk

The City of Shawnee encourages participation from its citizens in public meetings. If participation is not possible due to a disability, notify the City Clerk, in writing, at least forty-eight hours prior to the scheduled meeting, and necessary accommodations will be made. (ADA 28 CFR 36)



Airport
2202 N. Airport Dr.
Shawnee, OK 74804
ShawneeOK.org

Date: June 9, 2023
To: Shawnee Airport Authority
From: Bonnie Wilson, Airport Manager
Subject: Consideration of a resolution to Temporarily Stay Rental Rate Increases for Fiscal Year 2023-2024.

Background: Under the current Airport Facilities Lease and Development Policy, rental rates increase annually based on the national rate of inflation as established by the Consumer Price Index (CPI) change from the prior calendar year.

Considering the impact of the recent tornado on the City, the Airport, and our business partners, City staff is recommending a temporary waiver of the policy, effectively retaining the rental rates established for Fiscal Year 2022-2023 through Fiscal Year 2023-2024.

Financial Impact: Reduction in projected Fiscal Year 2023-2024 annual rental revenue of \$158,520 by \$7,311

Attachments: Revised Lease Policy Statement 10 2019, Resolution - Stay of Airport Rental Rate Increase

Staff Recommendation: Approval of the item

Airport Facilities Lease and Development Policy Statement

October 2019

It is the policy of the Shawnee Regional Airport Advisory Board to establish rental rates for aeronautical and non-aeronautical use facilities in compliance with Federal Aviation Administration policies and regulations governing airport rates and charges.

Objective

Development and application of a standardized fee structure and lease language for Shawnee Regional Airport owned facilities to support the costs of operation and development of the Shawnee Regional Airport.

Methodology for Leasing SNL Facilities

1. Utilize standard terms and conditions for lease agreements for facilities within identified property categories.
2. Participate in and/or conduct a survey of the aviation facilities market annually to ensure competitive pricing.
3. Engage a third-party assessor to conduct property value assessments every five calendar years and/or in response to any significant changes to the regional market.
4. Apply a standard rate of increase to annual lease rates based on the national rate of inflation as established by the Consumer Price Index change from the prior calendar year, in each intervening year, with current pricing retained as minimums regardless of inflation activity.
5. Adjust rental rates annually at the commencement of the Fiscal Year.

Methodology for Establishing Rates for Hangaring and Aircraft Storage Agreements

1. The current rate for Standard 1,000 square foot T-hangars serves as the basis for establishing rates on a per square foot for hangaring and other aircraft storage agreements.
2. Standard Long-Term Tie-Down Spaces (1,000 SQFT) will be leased at the rate of 50% of the current per square foot rate for a Standard T- Hangar.
3. Large Long-Term Tie-Down Spaces (1,500 SQFT), will be leased at the rate of 75% of the current per square foot rate for a Standard T- Hangar.
4. Standard Bulk Hangar Space (1,000 SQFT) will be leased at 85% of the current per square foot rate for Standard T- Hangars.
5. Standard T-Hangars with electrical terminals provided will be leased at the rate of 3% greater than the then current rate for Standard T-Hangars.
6. Large Bulk Hangar Spaces, (1,500 SQFT), will be leased at the rate of 115% of the current rate for Standard T-Hangars.
7. Extended Bulk Hangar Spaces, (2,000 SQFT) square feet will be leased at the rate of 120% of the current rate for Standard T- Hangars.
8. Annual Rate increases will be applied in accordance with the established percentage differentials for each type of rental space.

Rate Chart by Example Only:

Location	Approximate Square Footage	Rate Variant	Per SQFT Per Year	Rate Per Year
Standard T- Hangar	1,000	100%	\$1.80	\$1,800
Standard Tie Down	1,000	50%	\$0.90	\$900
Large Tie Down	1,500	75%	\$1.35	\$2,025
Standard Bulk	1,000	85%	\$1.53	\$1,530
Large Bulk	1,500	115%	\$2.07	\$3,105
Extended Bulk	2,000	120%	\$2.16	\$4,320

Methodology for Allocation of Available Hangar Space

1. Current aircraft tenants in good standing, including subtenants of aircraft storage providers at Shawnee Regional Airport, will be given priority opportunity to apply for available aircraft storage space owned and/or managed by SNL, and/or new hangars constructed by SNL at the completion of construction in the following manner:
 - a. Tenants leasing Bulk Hangar spaces will be provided the opportunity to be placed on a Tenant Only Waiting List for a Standard T-Hangar space.
 - i. Requests will be recorded in date order by date of receipt.
 - ii. Notifications of availability will be provided in the order requests are received.
 - iii. The opportunity to lease a Standard T-Hangar is a first refusal opportunity only, not a guarantee of an agreement.
 - b. Tenants utilizing either type of Long Term Tie Down spaces will be provided the opportunity to be placed on a Tenant Only Waiting List for an appropriately sized Bulk Hangar space or Standard T-Hangar.
 - i. Requests will be recorded in date order by date of receipt.
 - ii. Notifications of availability will be provided in the order requests are received.
 - iii. The opportunity to lease a Bulk Hangar space or Standard T-Hangar is a first refusal opportunity only, not a guarantee of an agreement.
 - c. All Tenants in good standing seeking to lease new hangars at the completion of construction will be given the opportunity to be placed on a New Construction Waiting List.
 - i. The New Construction application will be made available following completion of design, a final schedule for construction and establishment of rates for new construction.
 - ii. Agreements for new construction will be offered on a lottery basis.
 - d. Standard lease rates in place, and any scheduled rate adjustments will apply to new agreements.
 - e. Applicants must accept the opportunity to enter into a new agreement, including all terms and conditions, within one business week following notification of availability.

- i. Failure to confirm intent within that timeframe will result in available space being offered to the next applicant on the waiting list.
2. Non-tenant applicants will be given the opportunity to apply for a place on a Hangar Space Waiting List which will be categorized by the type/size of space requested, and date of receipt of request.
 - a. Notifications of availability will be made to Non-tenant applicants only after current tenants in good standing have had the opportunity to refuse available space.

Methodology for Land Leases Supporting Third Party Capital Development

1. All capital construction must be compatible with the current approved Airport Layout Plan.
2. All capital construction plans and specifications must meet the standards of the City of Shawnee Planning Office, and the Federal Aviation Administration as issued from time to time.
3. Land leases for the purpose of capital development may not exceed forty calendar years.
4. Proposals for capital development leases must include:
 - a. A comprehensive business plan describing the proposed use of the facility, estimated costs of operation, estimated revenue, market analysis, and source of labor and direct employment impacts; and
 - b. A financial statement describing the source of funds for construction, and continued operations and maintenance.
5. Leases must include a reversion clause whereby facilities constructed by third parties become the property of SNL on a specified future date to be determined based on the level of initial investment.
6. Leases must include minimum capital improvement clauses to ensure facilities retain their value throughout the lease term.

RESOLUTION NO. SAA-2023-_____

A RESOLUTION OF THE SHAWNEE AIRPORT AUTHORITY TO APPROVE A TEMPORARY STAY OF RENTAL RATE INCREASES FOR THE TENANTS OF THE SHAWNEE MUNICIPAL AIRPORT.

WHEREAS, structures located within the Shawnee Municipal Airport suffered extensive damage as a result of the tornado, hail, and damaging winds which occurred on April 19, 2023 (“Severe Weather Event”); and,

WHEREAS, the Shawnee Municipal Airport has been unable to operate at full capacity since the Severe Weather Event; and,

WHEREAS, multiple Tenants have necessarily been relocated as their leased spaces were severely damaged or destroyed by the Severe Weather Event; and,

WHEREAS, the current Airport Facilities Lease and Development Policy suggests an annual increase of rental rates for the Tenants of the Shawnee Municipal Airport based upon the national rate of inflation as established by the Consumer Price Index (CPI); and

THEREFORE, it was duly moved and seconded that the following resolution be adopted.

THEREFORE, BE IT RESOLVED that the Shawnee Airport Authority, Oklahoma hereby elects to, temporarily stay the rental rate increase, as detailed in the Airport Facilities Lease and Development Policy, for the Fiscal Year 2023-2024 and, in doing so, elects to retain the rental rates established for Fiscal Year 2022-2023.

The Shawnee Airport Authority, Oklahoma adopted the above Resolution on the _____ day of June, 2023.

ED BOLT, MAYOR/CHAIRMAN

ATTEST:
(SEAL)

LISA LASYONE, CMC
CITY CLERK/SECRETARY



Airport
2202 N. Airport Dr.
Shawnee, OK 74804
ShawneeOK.org

Date: June 9, 2023
To: Shawnee Airport Authority
From: Bonnie Wilson, Airport Manager
Subject: Consideration of granting authority to City Manager for the execution of Aircraft Storage Leases and Lease Amendments.

Background: On April 19, 2023, the EF2 tornado significantly damaged five of the six box hangars, and eighteen of the individual t-hangars at the Shawnee Regional Airport. Many of the aircraft housed in these structures were also damaged beyond repair.

Staff has been working with the tenants and business owners at the airport to identify suitable locations to accommodate the relocation of viable aircraft. Aircraft that have been designated as “salvage” by insurance representatives, and cannot be relocated, will be given temporary storage to allow the owners to arrange for removal.

City staff is requesting authorization for the City Manager to execute necessary amendments to existing leases to support the relocation and retention of tenants as well as any new hangar leases that may be required for the duration of the City of Shawnee Fiscal Year 2023-2024. Furthermore, authorization is requested to establish a temporary storage plan for “salvage” aircraft to be stored at the airport for a nominal fee of \$20.00 per month per aircraft.

Financial Impact: Unknown at this time

Attachments:

Staff Recommendation: Approval of the item