

**MISSION STATEMENT: TO CREATE A HEALTHY, SAFE, DIVERSE, AND PROSPEROUS CITY
BY ENGAGING COMMUNITY MEMBERS TO DEVELOP AN ENRICHED QUALITY OF LIFE.**



AIRPORT COMMITTEE MEETING AGENDA

CITY OF ONTARIO OREGON

November 1, 2021 - 6:00 PM

Ontario City Hall

[Zoom Link](#)

Committee Members: Shay Myers _____ Jim Bain _____ John Freeburg _____ Luke Keller _____
Gary Taylor _____ Shawn Coleman _____ Brianna Lemmon _____
Alternate: Bill Hager _____

Ex Officio Members: John Kirby (City Council) _____ Adam Brown (City Manager) _____

Airport Manager/Staff: Vacant _____

FBO: Vacant _____

- I. Public Comment
- II. Approval of Agenda
- III. Approval of Minutes
- IV. Old Business
 - a. Revenue Replacement for Commercial Operating Fee
- V. New Business
 - a. New Hanger Lease: Rick Todd -131 Cessna
 - b. Recommendation for Hanger with Living Quarters
- VI. Committee Member Comments
 - a. Status of Airport Manager Hire
- VII. Adjournment



AGENDA REPORT
OLD BUSINESS
November 1, 2021

To: Airport Committee

FROM:

SUBJECT: REVENUE REPLACEMENT FOR COMMERCIAL OPERATING FEE

DATE: October 29, 2021

PROPOSED MOTION:

SUMMARY:

I MOVE THE AIRPORT COMMITTEE

BACKGROUND:

CURRENT SITUATION:

ANALYSIS:

- A. **STRATEGIC PLAN**
- B. **FINANCIAL**
- C. **TIMING**
- D. **POLICY/LEGAL**

ALTERNATIVES:

RECOMMENDATION:

ATTACHMENTS:

None



AGENDA REPORT
NEW BUSINESS
November 1, 2021

To: Airport Committee

FROM: Dan Cummings, Community Development Director

SUBJECT: **NEW HANGER LEASE: RICK TODD -131 CESSNA**

DATE: October 9, 2021

PROPOSED MOTION:

RICK TODD WOULD LIKE TO CONSTRUCT A 2,500 SQUARE FOOT (50' X 50') BOX HANGER ON PROPOSED HANGER SITE BEING ADDRESSED AS 131 CESSNA TO STORE HIS PRIVATE AIRCRAFT(S).

SUMMARY:

I MOVE THE AIRPORT COMMITTEE APPROVE A RECOMMENDATION TO THE CITY COUNCIL FOR THE APPROVAL OF THE HANGER LEASE OF 131 CESSNA TO RICK TODD.

BACKGROUND:

Under the current ALP Plan there are 6 50' x 50' hanger spaces that has been defined as possible commercial hanger leases in the area just east of the current FBO (Fixed Base Operation) site and east of SW 33rd Street, said sites are bounded on the West by the Taxi Way Juliet, on the East by Hotel, on the North by Beechcraft and the South by Cessna as shown on Attachment #1.

In the summer of 2020 the City Council approved the extension of sanitary Sewer to these hangers spaces and the sewer line was constructed. The site already had access to City water.

In May of 2021 Mr. Todd held a PDAC with city staff and was advised of the requirements needed to construct a hanger and was told by the Airport Manager (Mr. Hartley) he could reserve a hanger space at what would of been 141 Cessna in the NE portion of the Airport.

CURRENT SITUATION:

On Monday October 4, 2021 Mr. Todd contacted Dan Cummings Community Development Director and current Assistant Airport Manager under current Airport Manager Adam Brown City Manager to discuss the hanger lease.

Mr . Todd had been to the Airport to find and talk to Erik Hartley (past Airport Manager) as he

had not been able to contact Mr. Hartley and was wanting to get the paper work finalized. Mr. Todd found out that not only was Mr. Hartley no longer the Airport Manager, but someone else had leased the site he was promised. Mr. Hartley was supposed to create a first right of refusal on the hanger space know as 141 Cessna, but Mr. Todd had not heard back from Mr. Hartley, so he had driven up (he currently lives in California, but has bought a home in Fruitland and is in the process of moving) to locate Mr. Hartley and finalize the paper work. Due to Mr. Hartley leaving the employment of the City and poor communication between the Mr. Hartley with the City Manager and Community Development Director no paper work could be found when working with the current lessee of the site Mr. Todd was promised. Both Mr. Adam and Mr. Cummings tried several times to get information from Mr. Harley about any sites promised to anyone but he would never respond to either party so unfortunately Mr. Cummings worked a lease with another individual (leased to Mr. Penn) for the two sites now known as 140 Golf.

As one can imagine Mr. Todd was very upset that his site had been leased to someone else. Mr. Cummings apologized to Mr. Todd and to make up for the bad communication with him, Mr. Cummings offered Mr. Todd one of the 50' x 50' hanger site reserved for commercial use pending approval by the City Council. This will allow Mr. Todd to connect to sewer and water (which he would like to do) sooner then it would be possible at the original location (water is the only thing available right now at the other site). Mr Todd become very happy that the City was willing to stand behind their mistake and to make amends to keep him at our airport and accepted Mr. Cummings apology by the City for the miscommunications.

Mr. Todd would like to move forward with constructing a 50' x 50' private hanger to store his personal aircraft on the hanger space addressed as 131 Cessna and has agreed that in the future (see section 28 in the lease attached to this report as Attachment 2) if he uses the hanger as a commercial operation he will amend the lease to pay any current commercial lease fees.

On November 1, 2021, the proposed lease was presented to the Airport Committee at their regular meeting and the site and lease request was recommended for approved to the City Council.

ANALYSIS:

- A. **STRATEGIC PLAN** Growth within the airport is part of the Council Strategic Plan aiding in the stability of the airport and the local economy.
- B. **FINANCIAL** This ground lease will bring an annual payment of \$391.00 as well as approximately \$800 to \$1,000 in property taxes to the Ontario Airport fund.
- C. **TIMING** Approval of the lease will allow the developer to move forward with obtaining building permits and the construction of the hanger.

- D. **POLICY/LEGAL** It is required of all developers to obtain a ground lease from the City of Ontario prior to construction of any building on airport property.

ALTERNATIVES:

The Airport Committee could choose not to approve the lease and construction of the new hanger at 131 Cessna on the airport, and instruct the staff to find an alternative site to fit a 50' x 50 hanger on and renegotiate a deal with Mr. Todd.

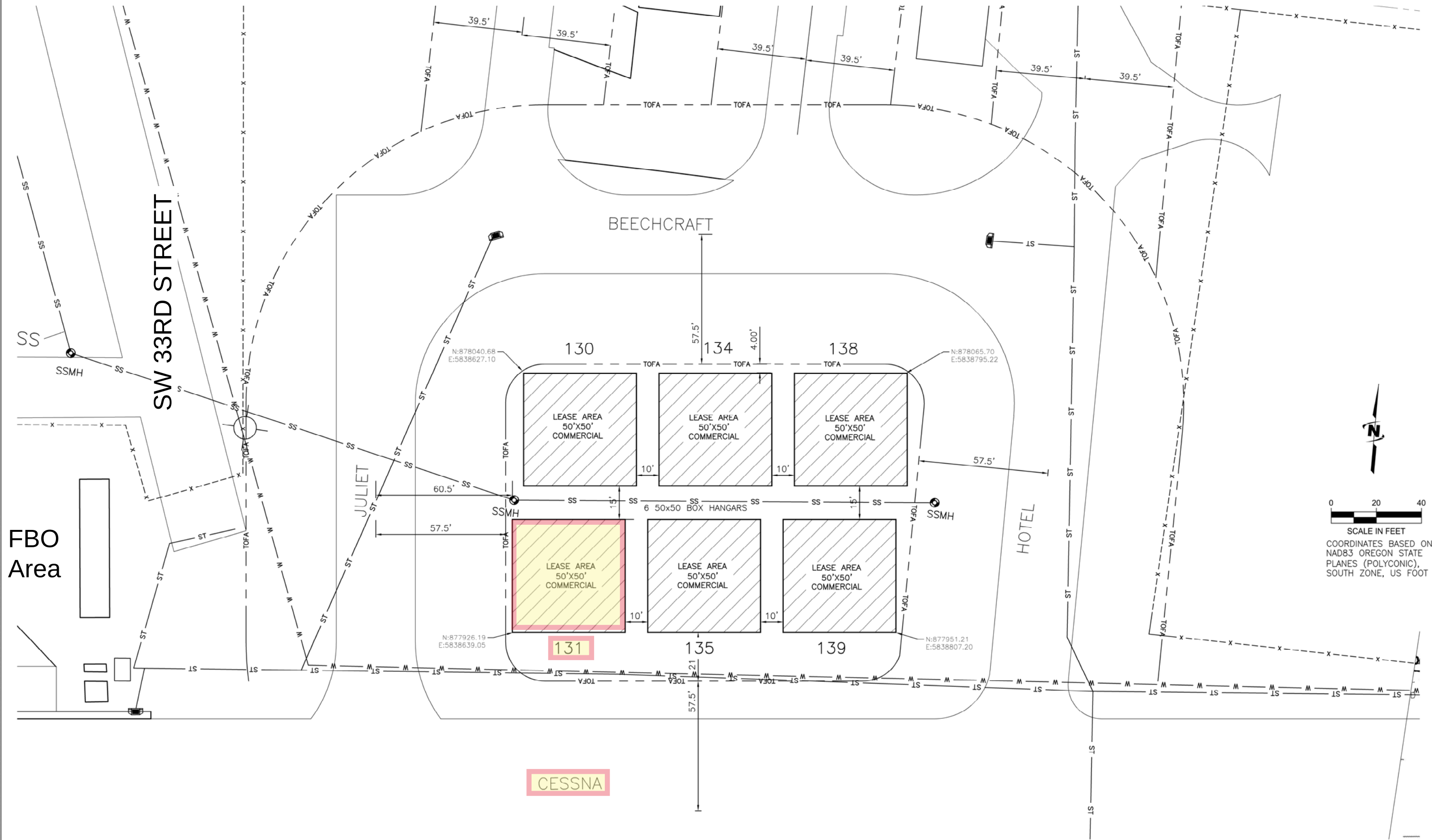
RECOMMENDATION:

Staff recommends the Airport Committee approve a recommendation to the City Council to approve the the ground lease between the City of Ontario and Rick Todd for 131 Cessna on the Ontario Airport.

ATTACHMENTS:

1. COMMERCIAL HANGER_ 131 Cessna
2. 2021 Hangar Lease 131 Cessna_Rick Todd_Tenant signed

Plot Date: 10/7/2021 2:13 PM Plotted By: Dan Cummings
Drawn: 10/7/2021 10:27:21 X:\COM\DEVELOPMENT\PLANNING\DEPT\ONAS INFO\AIRPORT\HANGARS\2021 HANGER LAYOUTS\ACAD-HANGAR LAYOUT.DWG
FILE: ACAD-HANGAR LAYOUT.DWG



ONTARIO MUNICIPAL AIRPORT
ONTARIO, OREGON
HANGAR LAYOUT



LAST UPDATED: 10/7/2021
PLOT DATE: 10/7/2021
JUB ENGINEERS, INC.



LEASE AGREEMENT

131 Cessna

THIS AGREEMENT, made and entered into this 1st day of November 2021 by and between the **CITY OF ONTARIO, OREGON**, as first party, hereinafter referred to as the "LANDLORD" and, **Rick Todd**, as second party, hereinafter referred to as "TENANT."

WITNESETH:

WHEREAS, LANDLORD is the owner of certain real property known and operated as the Ontario Municipal Airport; and

WHEREAS, TENANT desires to lease certain real property for airplane storage and hangar use.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein it is agreed as follows:

- 1) LANDLORD lease to TENANT and TENANT leases from LANDLORD the real property described in Exhibit "A," attached hereto and by this reference incorporated herein, for a period of TWENTY (20) years, commencing on the 1st day of November 2021. If the lease is not in default, unless either party shall give written notice prior to each anniversary date of this lease, and subject to LANDLORD'S receipt from TENANT of the annual lease payment, the lease term will automatically renew for a successive ten-year term. A decision by LANDLORD to give TENANT written notice that LANDLORD does not intend to extend the ten-year term of this lease shall be based upon LANDLORD'S need to utilize the subject property for other airport or aircraft purposes.
- 2) TENANT shall pay to the LANDLORD as yearly rent the sum of **FIFTEEN POINT SIX FOUR (15.64)** cents per square foot of the property described in Exhibit "A", subject to the rights of LANDLORD to escalate said rental amount as more specifically provided for hereinafter. The parties hereto covenant and agree that the total area of the property described in Exhibit "A" is 2,500 square feet for the purposes of determining the annual rent herein. The annual rental amount shall be paid on or before the 15th day of August each year and is payable each year in advance.
- 3) It is mutually understood and agreed between the parties hereto that the rental amount may be adjusted upward or downward annually in the sole discretion of the Common Council of the City of Ontario. Such adjustment may be made in any year and shall be effective for the balance of the lease term or until further adjustment, if any. Any increase in rent shall not exceed the percentage increase in the Consumer Price Index for Oregon for the previous year. Adjustments to the rent shall not be made more frequently than one adjustment per year and each yearly adjustment shall not be an amount greater than 6% of the then existing rent.
- 4) The property shall be used to build an airplane hangar to be used primarily as storage of one or more airplanes. Any such construction shall be completed solely with TENANT'S labor and at TENANT'S expense.

- 5) Any new construction or improvements made on the property are to be approved writing prior to commencement of either, and the same to be constructed and operated conformity with all ordinances and regulations of the City period of time following expiration of the term or termination of the lease.
- 6) The TENANT will keep and maintain all structures on the leased property in a constant state of good repair, and will refrain from storing any airplane parts, equipment, or debris outside buildings and will keep the premises in a clean, sightly condition. Any aircraft hangar located on the leased premises shall have operative doors. It is mutually understood and agreed between the parties hereto that the building inspector of the City of Ontario shall have the right to inspect the premises periodically. In the event the building inspector of the City of Ontario deems any structure upon the leased premises not to be in compliance with any applicable statute, ordinance, rules or regulation or this agreement the TENANT agrees to correct such non-complying item at the TENANT'S sole expense.
- 7) The TENANT agrees to spray or otherwise control weeds located on and around the leased premises.
- 8) The color of paint used in all new construction and in the painting of any and all structures shall conform to the airport color scheme as adopted by the Airport Committee.
- 9) The TENANT shall not use leased land for any purposes other than those authorized herein without the written consent of the LANDLORD.
- 10) The LANDLORD reserves the right to further develop the airport or landing area of the airport as it sees fit.
- 11) The LANDLORD reserves the right, but not the obligation to maintain and keep in repair the landing area of the airport and all public facilities of the airport.
- 12) This lease shall be subordinate to the provisions of any existing or future agreement between the LANDLORD and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.
- 13) During the time of war or national emergency, the LANDLORD shall have the right to lease the landing area or any part thereof to the United States government for military or naval use, and if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the government shall be suspended.
- 14) Except with respect to activities for which the LANDLORD is responsible, the TENANT shall pay as due all claims for work done on and for services rendered or material furnished to the leased premises and shall keep the premises free from any liens. If the TENANT fails to pay such claims or to discharge any lien, LANDLORD may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of 12% per annum from the date expended by LANDLORD and shall be payable on demand. Such action by LANDLORD shall not constitute a waiver of any right or remedy which LANDLORD may have on account of TENANT'S default.

TENANT may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, so long as LANDLORD'S property interests are not jeopardized. If a lien is filed as a result of non-payment, TENANT shall, within ten days after knowledge of the filing, secure the discharge of the lien or deposit with LANDLORD cash or a sufficient corporate surety bond or other security satisfactory to LANDLORD in an amount sufficient to discharge the lien plus any costs, attorney fees and other charges that could accrue as a result of a foreclosure or sale under the lien.

- 15) The TENANT shall obtain Commercial General Liability Insurance in a responsible company, with limits of \$1,000,000 each occurrence with a \$2,000,000 General Aggregate. Such insurance shall cover all risks arising directly or indirectly out of TENANT'S activities on or any condition of the leased premises whether or not related to an occurrence caused or contributed to by LANDLORD'S negligence, shall protect TENANT against the claims of LANDLORD on account of the obligations assumed by TENANT under the provisions of the indemnification paragraph contained herein, and shall protect LANDLORD and TENANT against any and all claims of third persons. TENANT is required to provide a copy of current insurance coverage to the city.

For purposes of compliance with this section, the LANDLORD may provide sufficient insurance, naming the TENANT as an additional insured. Should the LANDLORD be unable to obtain liability and property damage insurance which provides adequate coverage, the TENANT shall be responsible for such coverage as specified above. In the event the LANDLORD provides said insurance, LANDLORD makes no representations, warranties or assurances that said coverage is adequate for the purposes of protecting TENANT. The purpose of said insurance is solely for the protection of LANDLORD and nothing in this paragraph is intended to waive the limits as established in the Oregon Tort Claims Act, ORS 30.260 et seq., as it applies to LANDLORD.

Should the LANDLORD be required to pay additional or increased rates, the City shall have a right to surcharge the TENANTS in an amount in excess of the annual rental rate as defined in Section 3 of this agreement sufficient to reimburse the City.

- 16) No part of the leased property may be assigned to any third person without the prior written consent of the LANDLORD. This provision shall apply to all transfers by operation of law and to transfers to and by trustees in bankruptcy, receivers, administrators, executors and legatees. No consent in one instance shall prevent the provision from applying to a subsequent instance. The LANDLORD shall consent to a transaction covered by this provision when withholding such consent would be unreasonable in the circumstances.

- 17) The following shall be events of default:

a) Failure of TENANT to pay any rent or other charge within thirty (30) days after it is due.

b) Failure of TENANT to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within fifteen (15) days after written notice by LANDLORD specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied with the fifteen (15) day period, this provision shall be complied with if TENANT begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to affect the remedy as soon as practicable.

c) Insolvency of TENANT; an assignment by TENANT for the benefit of creditors; the filing by TENANT of a voluntary petition in bankruptcy; and adjudication that TENANT is bankrupt or the appointment of a receiver of the properties of TENANT; the filing of an involuntary petition of bankruptcy and failure of the TENANT to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levy of execution on the leasehold interest and failure of the TENANT to secure discharge of the attachment or release of the levy of execution within thirty (30) days. If TENANT consists of two (2) or more individuals or business entities, the events of default specified in this paragraph shall apply to each individual unless within thirty (30) days after an event of default occurs the remaining individuals produce evidence satisfactory to LANDLORD that they have unconditionally acquired the interest of the one causing the default. If the lease has been assigned, the events of default so specified shall apply only with respect to the one then exercising the rights of TENANT under the lease.

- 18) In the event of a default, the lease may be terminated at the option of the LANDLORD by notice in writing to TENANT. The notice may be given before or within thirty (30) days after the running of the grace period for default and may be included in a notice of failure of compliance given under the provisions of paragraph 17(b) above set forth. If the property is abandoned by TENANT in connection with a default, termination shall be automatic and without notice.
- 19) If the lease is not terminated by election of LANDLORD or otherwise, LANDLORD shall be entitled to recover damages from TENANT for the default.
- 20) If the lease is terminated for any reason, TENANT'S liability for damages shall survive such termination, and TENANT shall vacate the property immediately and shall remove all improvements and buildings constructed on the leased premises and shall perform any necessary clean-up or other work required to lease the property in its original condition. Any improvements not removed within ninety (90) days after the termination of this agreement shall become the property of the LANDLORD. LANDLORD may re-enter, take possession of the premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without the liability for damages.
- 21) The foregoing remedies shall be in addition to and shall not exclude any other remedy available to LANDLORD under applicable law.
- 22) Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.
- 23) If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover in addition to the costs such sum as the court may adjudge reasonable as attorney fees, including attorney fees upon appeal.
- 24) Any notice required or permitted under this lease shall be given when delivered or when deposited in the United States mail as certified mail, addressed as follows:

To LANDLORD:
City of Ontario
444 SW 4th Street
Ontario, OR 97914

To TENANT:
Rick Todd
P.O. Box 706 / 6492 State Highway 193
Georgetown, CA 95634

or to such other address as may be specified from time to time by either of the parties in writing.

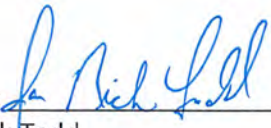
- 25) Subject to the above-stated limitation on transfer of TENANT'S interest, this lease shall be binding upon and inure to the benefit of the parties, their respective successors, and assigns.
- 26) If the TENANT fails to perform any obligation under this lease, the LANDLORD shall have the option to do so after fifteen (15) day's written notice to the TENANT. All of the LANDLORD'S expenditures to correct the default shall be reimbursed by the TENANT on demand with interest at the rate of 12% per annum from the date of expenditure by the LANDLORD.
- 27) In construing this lease, it is understood that the LANDLORD or TENANT may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.
- 28) This lease is a private hangar lease on an approved Commercial Hangar space due to a misunderstanding of the hangar space originally promised to the lessee. The lessee (Tenant) understands that at any time the hangar is used as a commercial hangar, the lessee/tenant agrees to amend the lease to a commercial lease and pay the commercial lease fees at that time.

IN WITNESS WHEREOF, LESSEE, has caused these presents to be signed by its owner, this 7th day of October, 2021.

CITY OF ONTARIO

TENANT

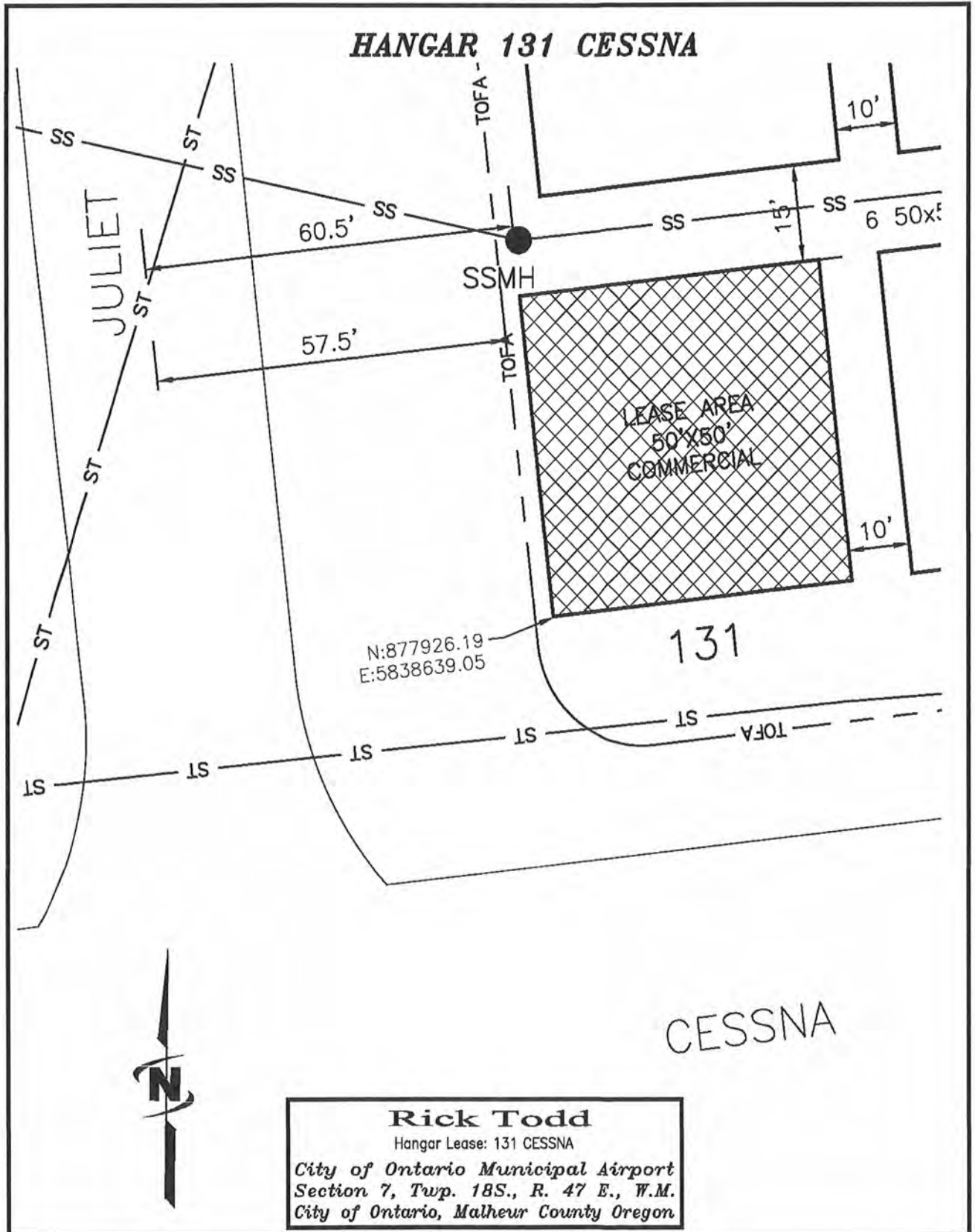
By: _____
Riley J. Hill, Mayor

By:  _____
Rick Todd

ATTEST:

By: _____
Tori Barnett, MMC, City Recorder

EXHIBIT A





AGENDA REPORT
NEW BUSINESS
November 1, 2021

To: Airport Committee

FROM: Dan Cummings, Community Development Director

SUBJECT: **RECOMMENDATION FOR HANGER WITH LIVING QUARTERS**

DATE: October 22, 2021

PROPOSED MOTION:

TO ALLOW FOR CONSTRUCTION OF AIRPORT HANGER WITH LIVING QUARTERS TO MEET THE NEED OF CORPORATIONS FLYING EMPLOYEES IN FOR MEETINGS AND FOR RECREATIONAL NEEDS OF THE FLYING PUBLIC.

SUMMARY:

I MOVE THE AIRPORT COMMITTEE APPROVE THE RECOMMENDATION OF THE COMMUNITY DEVELOPMENT DIRECTOR TO ALLOW CONSTRUCTION OF HANGERS WITH SHORT TERM LIVING QUARTERS WITHIN THE A HANGER UNDER A CONDITIONAL USE PERMIT.

I MOVE THE AIRPORT COMMITTEE NOT RECOMMEND THE COMMUNITY DEVELOPMENT DIRECTOR TO ALLOW CONSTRUCTION OF HANGERS WITH SHORT TERM LIVING QUARTERS WITHIN THE A HANGER UNDER A CONDITIONAL USE PERMIT.

BACKGROUND:

The Community Development Director is working with a developer who would like to construct two hangers with living quarter above the hanger similar to the one shown in Attachment one of this report on the lots highlighted in Attachment 2 of this report.

The only other type of request I found similar to this is the hanger for the Life Flight where it was approved with living quarters for the helicopter pilots.

CURRENT SITUATION:

The Community Development Director would like a recommendation from the Airport Committee if this is something that should be allowed on the airport.

ANALYSIS:

- A. **STRATEGIC PLAN** This type of use is part of the Statistic plan in allowing for more

growth at the airport with opening up another market and also could lead to the construction of a restaurant on the airport to support this type of use as well as other airport users.

- B. **FINANCIAL** There is no direct costs to the city at this point but could add very much needed revenue for the airport.
- C. **TIMING** The developer has stated if he could get approval for this he would start building these hangers this spring.
- D. **POLICY/LEGAL** there is no legal issue with this request.

ALTERNATIVES:

None suggested.

RECOMMENDATION:

The Community Development Director recommends that this type of use be allowed on the Airport under a conditional use permit for short term living use and not full time residential use.

ATTACHMENTS:

- 1. Executive Hanger with Living Quarters
- 2. PROPOSED LIVING QUARTER HANGERS



Hanger with Living Quarters

In review the City Airport Development Code (10A-45), I could approve hangers on the Airport property under a Conditional Use Permit (10A-45-10 (3) which states “Other uses where ongoing operations and the use thereof are directly dependent upon or associated with the airport”.

It is my opinion that having living quarter in conjunction to a hanger can serve several different types of functions, such an executive hanger which would allow for corporation to fly in their personnel having a places for them to stay while in town for business as well as for use by the pilots while waiting for the executives return from their meeting. For seasonal vacationing time while in town for business or pleasure enjoying all that Ontario and surround communities have to offer such as recreational use, hunting, fishing trips.

They would not be intended for or allowed to be use as permanent full-time living questers/homes.

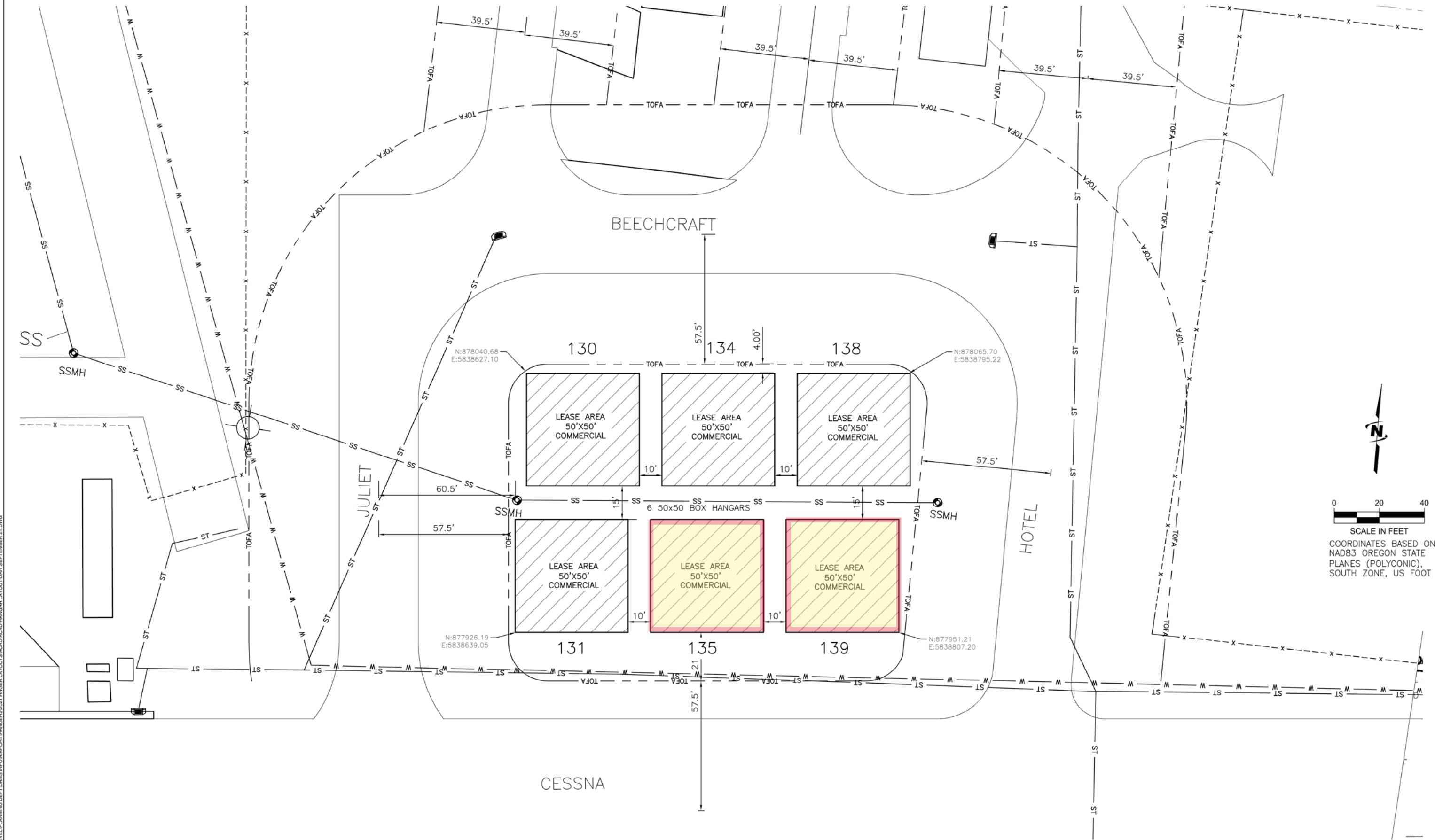
They would be allowed to store their vehicles left for travel upon using the hanger inside of the hangers.

Where the Corporate Freedom and Recreational Lifestyle meets the need of short team staying where you fly into.



Dan K. Cummings, PLS
Community Development Director
City of Ontario

Plot Date: 10/7/2021 2:13 PM Plotted By: Dan Cummings
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ONTARIO MUNICIPAL AIRPORT
ONTARIO, OREGON
HANGER LAYOUT



LAST UPDATED: 10/7/2021
PLOT DATE: 10/7/2021
JUB ENGINEERS, INC.