

Minutes of the
 GILLESPIE COUNTY AIRPORT ADVISORY BOARD
 Monday, Oct 5, 2022
 @ Airport Terminal Building

MEMBERS PRESENT:	STAFF PRESENT:	GUESTS PRESENT:
David Smith	Tony Lombardi, Manager	Ethan Crane
Keith Keller		Tim Lehmberg
Judie Mooney		Dawn Duley
Steve Allen		
Paul Hannemann		
Chad Ellebracht		
Absent		
	Bobby Watson, City	
	Keith Kramer, County	

PURPOSE OF THE SPECIAL MEETING:

To receive a lease review presentation from the Airport Manager

LEASE REVIEW PRESENTATION

- The AM gave a detail presentation of all of the current leases at the airport...26 leases. (12 Private Hangar leases; 12 Business Leases and 4 Business Park (Non-Aeronautical) leases) (Slides are attached)

FINDINGS AND RECOMMENDATIONS (in Red):

- **Violations of Grant Assurances:**
 - Rhett Hawk Lease...Restrictions on A&P shop
 - From the lease: “Sublease for Airframe & Powerplant (A&P) activities shall be limited to aircraft of Rhett Hawk LLC enterprises or turbine helicopter contract work.”
 - Violates Grant Assurance - #23 “Exclusive Rights”

Recommendation: Amend lease to strike the sentence. Note: This has not been enforced.
- **Possible Violations:**
 - Both TX A&M AgriLife leases are well below FMV

Recommendation: Leave as is. The benefit to the community outweighs the possible issues with the FAA.
 - County AgriLife - No Lease or “Memorandum of Agreement/Understanding”

Recommendation: Sign the draft MOA or create a lease between the County and the Airport.
 - McKnight’s Lease contains a dog run area – not “aeronautical”

Recommendation: Leave as is until lease renewal.

- Phippen & York has a similar fenced in area that was originally used for a dog...not used now.

Recommendation: Leave as is until lease renewal.

- **Violations of the Min Operating Standards:**

- Lack of Aprons/Ramps in leased area
 - Rhett Hawk

Recommendation: Leave as is until new expansion project.

- Phippen & York

Recommendation: Leave as is until lease renewal.

- No business auto parking in the lease
 - Phippen & York

Recommendation: Leave as is until lease renewal.

- Blue Sky Hangars (Allen)

Recommendation: Leave as is until Tac Aero's purchase/new lease.

- Hangar Size issues

- Kent's Hangar – too small (50'x60')

Recommendation: Leave as is and place a "waiver" letter in the file stating that the size of the hangar was predicated on the available land.

- Lack of 5' on the sides/back of hangar in the leased area (this requirement was in effect when the lease was signed)
 - FBO ASB 4&5

Recommendation: Leave as is. Ever since it was discovered in 2017, the FBO has volunteered to maintain the grassy sloped area north and west of the hangars (more than 5').

- Utilities

- Kent's Hangar does not have water or sewer connected (violation of city code, also)

Recommendation: Encourage James Kent to work with McKnight and Allen/Tac Aero to connect to the utilities

- Septic Tanks/Leach field
 - Blue Sky Hangars (Allen), McKnight and Phippen& York
- Note: Septic Tanks/Leach field are not in their ground lease

Recommendation:

- There is already work in place for McKnight, Tac Aero (Allen) and Kent to connect to sewer.
- As for P&Y, wait until their lease renewal to add that requirement.

- **Inconsistencies/ Irregularities:**

- Several leases required the lessor to provide services (i.e. ground work, pavement, utilities, golf cart path to the golf course, fire hydrant, etc.). here is the list of leases that had those requirements:
 - Hotel/Diner/Conference Center

- Access road to lot & construct and maintain golf cart path to the golf course
- Rhett Hawk
 - Access Road, water line and fire hydrant
- Fritz Aviation's T-hangar (via David Smith's original lease)
 - Water line, groundwork, pavement
- All Snowden's T-hangars,
 - Groundwork and pavement
- McKnight (via Stronczek's original lease)
 - Rough grade groundwork

Recommendation: no action needed, since this has all happened in the past.

Current policy is to have the developer/lessee provide those services.

- Renewal Inconsistencies – the Hotel/Conference Center&Diner/Rhett Hawk have a clause in their lease that prevents changes, except for ground lease rate during the renewal lease.
 - The wording from those leases: “The same terms and conditions as the initial lease term shall apply to the renewal term, except lease rate (based on Market Value Appraisal)”

Recommendation: Leave as is. The AM is concerned about the procedures/outcome of a “Market Value Appraisal”. It might increase their rent too much.

- Snowden's & McKnight's Private hangar's leases are business leases, not private hangar leases

Recommendation: Leave as is.

- 30/10 lease is the standard. Several have different renewal lengths
 - FBO, the Hotel/Conference Center&Diner/Rhett Hawk – 30/20
 - SSBT – 30 year, 10 year + 10year
 - Phippen&York does not have any renewal length

Recommendation: Leave as is, but stay consistent with policy for future leases (i.e. 30/10)

- **Clarifications:**

- The addition of the 3% “on top of” the ground lease for the subleasing businesses is not in any way a violation of any rules or grant assurances.

Recommendation:

- **Keep the 3% “on top of” clause...It is an added revenue source for the airport.**
- **Additionally, add the 3% “on top of” clause to every lease because every lessee might decide to sublease.**
- **Add 3% “on top of” explanation in the Minimum Operating Standards (MOS)**
- **Add the definition of Sublease as it pertains to the airport leases in the MOS.**
- **Add the current renewal policies to the MOS (i.e. bringing the lot/ground lease area to the current standards; when to start the renewal procedures; etc).**

- Finally, add a definition of the agreement/contract between the lessee of a designated “Aircraft Storage facility” (t-hangar or box hangar) and their tenants to the Aircraft storage business section of the MOS.
- **The absence of the 3% “on top of” the ground lease for the 2017 FBO lease was consistent with the type of business model they fall under. (Aircraft Storage Business model)**

No Recommendation or Issues

VOTE:

The AAB recommended approval for all the recommendation listed above (4 votes “for” and 1 abstained (Keller did not support keeping the 3% “on top of” clause...he supported all the other recommendations)

Note: all minutes are available on the airport website (<http://www.gillespiecounty.org/page/airport%20-%20AAB%20Minutes>)

Attachment


Sept 2022

Lease Review




This was originally presented to the AAB in 2019

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FAA/TXDOT Relationship with T82


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FAA/TXDOT Relationship

- **Block Grant State (TXDOT Aviation)**
 - ~300 GA Airports
- **Federal/State Support – (FAA/TXDOT Funds)**
 - **Funding**
 - Capital Improvement Program (CIP) - up to 90% (90/10)
 - Entitlements (\$150K per year)...save up to 4 years
 - Grants
 - Competitive 3-year process (airside takes priority)
 - Routine Airport Maintenance Program (RAMP) Funds
 - \$100K per year (50/50)
 - **Planning**
 - Master Plan – Dated 2005 (Local Update 2010) (ALP with Narrative (mini master plan) scheduled to be completed by the end of 2022)
 - TXDoT provided Planner
 - Michael Van Vliet—just left last week
 - Consulting Engineering Firm – Garver (just for Phase II and the planning study)


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FAA/TXDOT Oversight

(Note: We signed our first grant in 1948)

- **Grant Assurances (39 agreements)**
 - The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life...not to exceed twenty (20) years from the date of acceptance...
 - **Key agreements**
 - (1) Follow General Fed Requirements
 - (3) **Sponsor Fund Availability.** It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.
 - (11) **Pavement Management Plan/Program**
 - (19) **Ops & Maintenance.** "The airport and all facilities...shall be operated at all times in a safe and serviceable condition..."




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Grant Assurances Continued

- (20) **Hazard Removal and Mitigation.** Protect the airspace around the airport
- (22) **Economic Nondiscrimination** "It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types..."
- (23) **Exclusive Rights.** "It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public..."
- (24) **Fee and Rental Structure.** "It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining..."
- (25) **Airport Revenues.** "All revenues generated by the airport...will be expended by it for the capital or operating costs of the airport..."
- (27) **Use by Government Aircraft.** "...without cost..."
- (28) **Land for Fed Facilities.** "...without cost..."
- (29) **Airport Layout Plan** "...keep up to date"
- (38) **Hangar Construction** "... airport owner or operator will grant...a long-term lease..."



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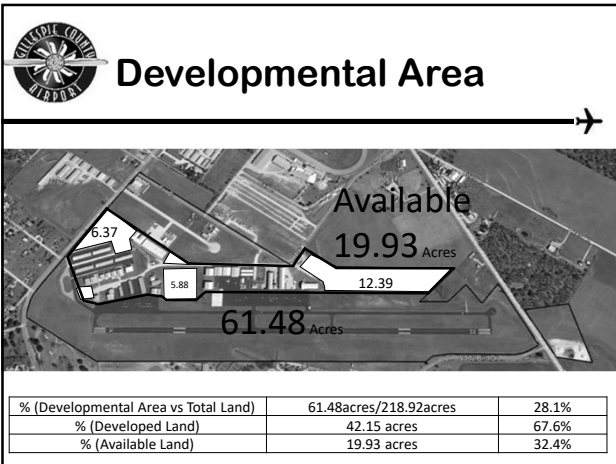


Our Airport

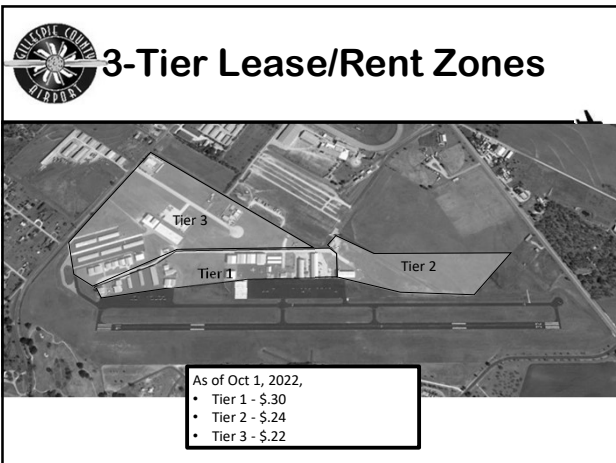
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Lease Review

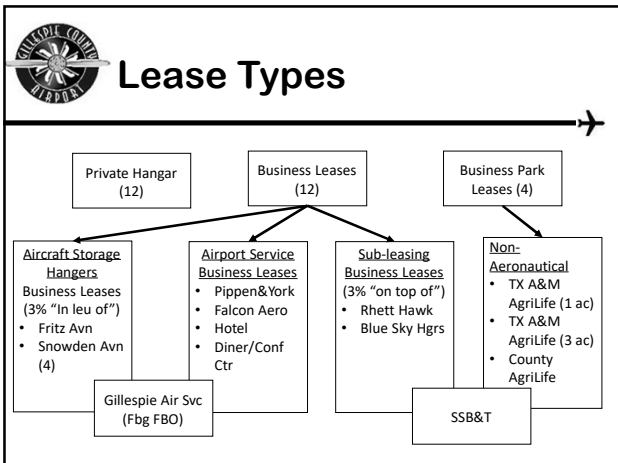
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Lease Review

- We have 26 leases (not including County T-hangar leases).
 - 12 Private Hangars
 - 12 Businesses
 - 4 Business Park (Non-Aeronautical)

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3% Clause

- 3% "In leu of" ground lease- **for Aircraft Storage Hangars only**
 - During the term of this lease, as consideration for the use of the Land leased to it hereunder and defined by the footprint of the hangar and for the rights and privileges herein granted by the Lessor, Lessee agrees to pay to Lessor the sum of 3 (three) percent of gross revenue.

3% "In leu of" ground lease annual revenue only


Ground Lease at the current tier rate

3% "In leu of" ground lease annual revenue only

Ground Lease at the current tier rate

Example of T-hangar Example of Box Hangar


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3% Clause

- 3% "On Top of" ground lease- **for subleasing business plans/models only and only applies to the footprint of the facility**
 - During the term of this lease, as consideration for the use of the Land leased to it hereunder and defined by the footprint of the hangar and for the rights and privileges herein granted by the Lessor, Lessee agrees to pay to Lessor the sum of 3 (three) percent of gross revenue for leased office and hangar space within the facility... The percentage of gross revenue referred to in this section shall be in **addition** to the amount of consideration that Lessee is required to pay monthly for the land ..."

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Definition of Sublease

- A sublease is a lease by the lessee to a third person, conveying all or part of the hangar or office space for a shorter term than that for which the lessee holds originally. A sublease is a new contract between the lessee and the sublessee and requires Comm Court approval. NOTE: This does not include contracts from lessees and aircraft owners for sole purpose of storage within aircraft storage buildings (i.e. t-hangars and designated box hangars).

From every lease: "Without the prior written consent of Lessor, which consent shall not be unreasonably withheld, Lessee shall not **sublease**, assign, sell or transfer this Lease Agreement or any right hereunder to any person, corporation, association, or other entity, nor shall a majority share of stock in Lessee be sold or transferred in any way."

...From the aircraft storage lease template

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Airport Business Lease Review

- Airport Service Business
- Airport Sub-leasing
- Aircraft Storage


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Lease Dates (Businesses)

Name	Lease Start Date	Mature date
Allen (BLUE SKY HANGARS, LLC)	11/1/2015	10/31/2045
Fritz Aviation	6/1/1996	5/31/2026
Gillespie Air	12/1/2017	12/31/2047
Luftplatz (Falcon Aero)	5/1/2022	<i>Rent (5-year)</i>
Luftplatz (Hangar)	9/1/2001	8/31/2031
Luftplatz (Hotel)	9/1/2001	8/31/2031
Luftplatz (Rhett Hawk)	3/1/2017	2/27/2047
Pippen&York	11/1/1997	10/31/2027
Snowden Thangar 1	10/1/2002	8/30/2032
Snowden Thangar 2	3/1/2004	2/27/2034
Snowden Thangar 3	7/1/2007	6/30/2037
Snowden Thangar 4	10/1/2012	9/30/2042


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Lease Rates and Rents (Businesses)

Name	Current Rent FY23	Current Rate	Original Rent	Original Rate
Allen (BLUE SKY HANGARS, LLC)	\$214.75	\$0.21	\$172.75	\$0.17
Fritz Aviation	\$207.57	\$0.21	\$122.47	\$0.13
Gillespie Air	\$4,510.79	\$0.30	\$3,738.48	\$0.25
Luftplatz (Falcon Aero)	\$744.11		\$507.87	
Luftplatz (Hangar)	\$1,505.08	\$0.21	\$887.92	\$0.13
Luftplatz (Hotel)	\$937.62	\$0.21	\$553.14	\$0.13
Luftplatz (Rhett Hawk)	\$1,098.40	\$0.25	\$893.37	\$0.20
PippenYork	\$224.69	\$0.20	\$120.00	\$0.11
Snowden Thangar 1	\$202.26	\$0.22	\$119.33	\$0.06
Snowden Thangar 2	\$202.26	\$0.22	\$124.15	\$0.07
Snowden Thangar 3	\$209.78	\$0.22	\$142.20	\$0.07
Snowden Thangar 4	\$204.19	\$0.21	\$158.81	\$0.08

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 **Luftplatz (Hangar)**




(Blue is leased area)

- **Leased Details:**
 - Ground lease area: 84,163.5 sqft
 - 30/20 Lease
- **Topic of discussions:**
 - Renewal - "The same terms and conditions as the initial lease term shall apply to the renewal term, except lease rate (based on Market Value Appraisal)"

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 **Luftplatz (Hotel)**

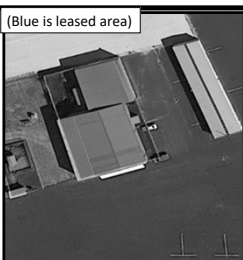


(Blue is leased area)

- **Leased Details:**
 - Ground lease area: 52,430 sqft
 - 30/20 Lease
- **Topic of discussions:**
 - Renewal - "The same terms and conditions as the initial lease term shall apply to the renewal term, except lease rate (based on Market Value Appraisal)"

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 **Pippen&York**




(Blue is leased area)

- **Leased Details:**
 - Ground lease area: 13,357 sqft
 - 30-year Lease
- **Topic of discussions:**
 - FBO lease
 - No apron
 - No parking
 - Dog run area
 - Septic and leach field not leased


Key info:
 Both hangars were built by Chad Doyle (Southern Airmotive Inc)(the 8,075 sqft hangar in 1990 and the Paint barn (3,981 sqft) in 1991). x'fer'd to Pippen York Flying Machine Co (Bill Pippen/Greg York); x'fer'd to Mike Pippen/Greg York, Feb 2011 (name changed to Pippen-York, INC). Septic tank/leach field not in lease

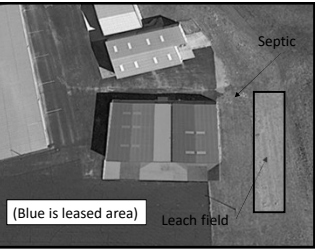
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 **Airport Sub-leasing** →

Name
Allen (BLUE SKY HANGARS, LLC)
Rhett Hawk

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 **Allen (BLUE SKY HANGARS, LLC)** →




- **Leased Details:**
 - Ground lease area: 12,000 sqft
 - 30/10 Lease
- **Topic of discussions:**
 - 25ft apron
 - No parking leased
 - Septic and leach field not leased
 - 3% "On top of" Sublease clause

Key Info:
Built/leased by Fritz Avn (1999); Purchased in 2015 (Lease renewed); Leach field not in lease/shared with McKnight; approved to sub-lease to TAC Aero on 2/1/2021


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 **Rhett Hawk** →



- **Leased Details:**
 - Ground lease area: 53,602 sqft
 - 30/20 Lease
- **Topic of discussions:**
 - Apron in front of door not leased, except on south side
 - 3% "On top of" revenue sublease clause
 - Restrictions on A&P shop
 - "Sublease for Airframe & Powerplant (A&P) activities shall be limited to aircraft of Rhett Hawk LLC enterprises or turbine helicopter contract work."
 - Renewal - "The same terms and conditions as the initial lease term shall apply to the renewal term, except lease rate (based on Market Value Appraisal)"


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Aircraft Storage

Name
Gillespie Air Services
Fritz Aviation
Snowden Aviation

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Gillespie Air Services



(Blue is leased area)

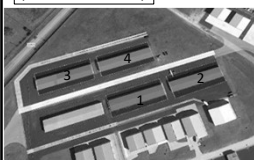
- **Leased Details:**
 - Ground lease area: 179,447 sqft
 - 30/20 Lease
 - 7 Surveys
 - Renewed/combined in 2017
 - Fuel flow fee increased (\$.06 per gal)
 - New lease rate applied
- **Topic of discussions:**
 - 5ft issue
 - ASB's - ground lease versus 3% "in leu of" for their Aircraft storage hangars

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Snowden Aviation

(Blue is leased area)




Leased Details (30/10 on all):

Name	Gnd lease (sqft)
Thangar 1	11,275.0
Thangar 2	11,275.0
Thangar 3	11,687.5
Thangar 4	11,687.5

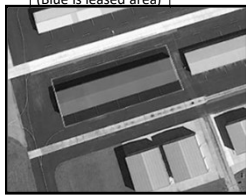
- **Topic of discussions:**
 - 3% "in leu of"
 - 25ft apron
 - "Lessor agrees to provide the Land to rough grade. Lessor provides no warranty on the suitability of the Land for construction. Lessor further agrees to construct at Lessor's expense an asphalt taxiway/apron on each long side of the hangar to provide aircraft access to the hangar."

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Fritz Aviation

(Blue is leased area)



- **Leased Details:**
 - Ground lease area: 11,600 sqft
 - 30/10 Lease
 - Start date:06/1/1996
- **Topic of discussions:**
 - 25ft apron
 - Originally built by Smith & sold in 2007
 - 3% "In leu of"
 - Apron added in 2002


From Lease... "Lessor agrees to:
 a. Provide hard surface apron, width at least 35 feet, on each long side of proposed building.
 b. Fill and grade building site as necessary to match elevation of access apron.
 c. Provide electrical and water services to one corner of building."

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Airport Private Hangars Review

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Private Hangars

Name
3K Aero
Allen
Avery
Carruth
Gasmire
Hague
Kent
McKnight
Odom
Pulley
Snowden
Welch


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 **Lease Dates**
(Private hangars)

Name	Lease Start Date	Mature date
3K Aero (New)	7/1/2022	6/30/2052
Allen	5/1/2009	3/31/2039
Avery	8/1/2007	7/31/2037
Carruth	3/1/2018	2/28/2048
Gasmire	3/1/2018	2/28/2048
Hague	1/1/2010	12/31/2039
Kent	4/1/2011	3/31/2041
McKnight	8/1/2000	6/30/2030
Odom	1/1/2010	12/31/2039
Pulley	3/1/2015	2/27/2045
Snowden	7/1/2000	6/30/2030
Welch (New)	6/1/2022	5/31/2052

Red Denotes – private hangars with business leases

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 **Lease Rates and Rents**
(Private hangars)

Name	Current Rent FY23	Current Rate	Original Rent	Original Rate
3K Aero	\$168.95	\$0.22	\$154.00	\$0.20
Allen	\$86.91	\$0.20	\$63.33	\$0.15
Avery	\$111.28	\$0.22	\$75.43	\$0.15
Carruth	\$203.79	\$0.21	\$173.46	\$0.18
Gasmire	\$230.83	\$0.21	\$196.47	\$0.18
Hague	\$110.75	\$0.20	\$80.70	\$0.15
Kent	\$71.25	\$0.20	\$52.50	\$0.15
McKnight	\$140.80	\$0.21	\$107.68	\$0.16
Odom	\$101.38	\$0.20	\$73.88	\$0.15
Pulley	\$141.99	\$0.20	\$114.00	\$0.16
Snowden	\$183.81	\$0.21	\$112.82	\$0.13
Welch	\$218.04	\$0.22	\$201.33	\$0.20

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Lease Dates (Business Park (Non-Aeronautical))

Name	Lease Start Date	Mature date
Gillespie County AgriLife	(no lease) 2020	
SSBT	8/1/2022	7/31/2052
Tx AM AgriLife (3 Acres) (5-year)	6/22/2020	6/22/2025
Tx AM Research Bldg (1 Acre)	10/1/2006	9/30/2036


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Lease Rates and Rents (Business Park)

Name	Current Rent FY23	Current Rate	Original Rent	Original Rate
Gillespie County	\$1,738.04	\$0.19	\$1,738.04	\$0.19
SSBT	\$3,549.18	\$0.22	\$850.51	\$0.05
Tx AM 3 Acres	\$653.40	\$0.06	\$500.00	\$0.05
Tx AM Research Bldg (1 Acre)	\$251.35	\$0.07	\$173.00	\$0.05

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TX A&M AgriLife




- **Leased Details:**
 - 2 leases:
 - 1 Acres
 - Ground lease area: 43,560 sqft
 - 30-year Lease
 - 3 acres
 - Ground lease area: 130,680 sqft
 - \$7840.80 per year/5-year Lease
- **Topic of discussions:**
 - FMV vs benefit to community

Key info:
Originally combined with the 3 acres. To build a building, it was leased to Sam & Nancy Golden ('06); The leasehold improvements were purchased by Tim Leach & donated to TXAM AgriLife 5/28/2013

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Gillespie County AgriLife




(Green is leased area)

- **Leased Details:**
 - Lot area: 109,771.2 sqft
- **Topic of discussions:**
 - No lease or MFR
 - No CPI adjustment

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Security State Bank & Trust



(Green is leased area)

- **Leased Details:**
 - Ground lease area: 196,630 sqft
 - 30/20 year
- **Topic of discussions:**
 - 224 BC – 3% “on top of”

Key Info:
First lease in the Business Park (purchased 224 BC LLC in 8/2022)


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Results

(violations/issues/inconsistencies)

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Violations of Grant Assurances

- Rhett Hawk Lease...Restrictions on A&P shop
 - “Sublease for Airframe & Powerplant (A&P) activities shall be limited to aircraft of Rhett Hawk LLC enterprises or turbine helicopter contract work.”
 - Violates Grant Assurance - #23 “Exclusive Rights”

Recommendation: Amend lease to strike the sentence. **Note:** This has not been enforced.


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Possible Violations

- Both TX A&M AgriLife leases are well below FMV
Recommendation: Leave as is. The benefit to the community outweighs the possible issues with the FAA.
- County AgriLife - No Lease or “Memorandum of Agreement/Understanding”
Recommendation: Sign the draft MOA or create a lease between the County and the Airport.
- McKnight’s Lease contains a dog run area – not “aeronautical”
Recommendation: Leave as is until lease renewal.
- Phippen & York has a similar fenced in area that was originally used for dog...not used now.
Recommendation: Leave as is until lease renewal.


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Violations of the Min Operating Standards

- Lack of Aprons/Ramps in leased area
 - Rhett Hawk
Recommendation: Leave as is until new expansion project.
 - Phippen & York
Recommendation: Leave as is until lease renewal (10/31/2027).
- No business auto parking in the lease
 - Phippen & York
Recommendation: Leave as is until lease renewal (10/31/2027).
 - Blue Sky Hangars (Allen)
Recommendation: Leave as is until Tac Aero’s purchase/new lease.
- Hangar Size issues
 - Kent’s Hangar – too small (50’x60’)
Recommendation: Leave as is and place a “waiver” letter in the file stating that the size of the hangar was predicated on the available land.

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Violations of the Min Operating Standards

- **Lack of 5' on the sides (this requirement was in effect when the lease was signed)**
 - FBO ASB 4&5


Recommendation: Leave as is. Ever since it was discovered in 2017, the FBO has volunteered to maintain the grassy sloped area north and west of the hangars (more than 5').
- **Utilities**
 - Kent's Hangar does not have water or sewer connected

Recommendation: Encourage James Kent to work with McKnight and Allen/Tac Aero to connect to the utilities
- **Septic Tanks/Leach field**
 - Blue Sky Hangars (Allen), McKnight and Pippen& York

Note: Septic Tanks/Leach field is not in their ground lease

Recommendation: There is already work in place for McKnight, Tac Aero and Kent to connect to City sewer. As for P&Y, wait until their lease renewal to add that requirement.

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Inconsistencies/ Irregularities

- Several leases required the lessor to provide services (i.e. ground work, utilities, golf cart path, fire hydrant, etc)
 - Hotel/Diner/Conference Center, Rhett Hawk, Fritz Aviation's T-hangar (via David Smith's original lease), Snowden's T-hangars, McKnight (via Stronczek's original lease)


Recommendation: no action needed, since this has all happened in the past. Current policy is to have the developer/lessee provide those services.
- **Renewal Inconsistencies** – the Hotel/Conference Center&Diner/Rhett Hawk have a clause in their lease that prevents changes during the renewal lease.
 - "The same terms and conditions as the initial lease term shall apply to the renewal term, except lease rate (based on Market Value Appraisal)"

Recommendation: Leave as is. I am concerned about the procedures/outcome of a "Market Value Appraisal"
- Snowden's & McKnight's Private hangar's leases are business leases

Recommendation: Leave as is.
- 30/10 lease is the standard. Several have different renewal lengths
 - FBO, the Hotel/Conference Center&Diner/Rhett Hawk – 30/20
 - SSBT – 30 year, 10 +10
 - Pippen&York does not have any renewal length

Recommendation: Leave as is, but stay consistent with policy for future leases (i.e. 30/10)

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Clarification

- **The addition of the 3% "on top of" the ground lease for subleasing businesses is not in any way a violation of any rules or grant assurances.**

Recommendation: Keep the 3% "on top of"...it discourages subleasing...Additionally, add the 3% "on top of" clause to every lease because every lessee might decide to sublease.

51




Clarification

- The absence of the 3% “on top of” the ground lease for the FBO is consistent with the type of business model they fall under. (Aircraft Storage Business model)

Recommendation:

- Add 3% “on top of” explanation in the MOS
- Add the definition of Sublease as it pertains to the airport leases in the MOS.
- Add the current renewal policies into the MOS (i.e. bringing the lot/ground lease area to the current standards; when to start the renewal procedures; etc).
- Add the definition of an Aircraft storage business contract in that section of the MOS.


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3% “on top of” Justification for MOS

- In every type of lease that is used at Gillespie County Airport, there is a statement within it stating that subleasing is prohibited unless written approval is provided by the lessor (Commissioners Court). In providing this approval, the lessor will require a 3.0% participation of the gross rent consideration.


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Definition of Sublease for MOS

- A sublease is a lease by the lessee to a third person, conveying all or part of the hangar or office space for a shorter term than that for which the lessee holds originally. A sublease is a new contract between the lessee and the sublessee and requires Comm Court approval. *NOTE: This does not include contracts from lessees and aircraft owners for sole purpose of storage within aircraft storage buildings (i.e. t-hangars and designated box hangars).*


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Definition of Aircraft Storage Facility Agreement

- Rental Agreement - "The agreement/contract between the lessee of a designated "Aircraft Storage facility" (t-hangar or box hangar) and their tenants are considered rental agreements (not subleasing), thus not subject to the 3% "on top of" revenue clause and does not require Commissioners Court (Lessor) approval."

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Further Discussion

- **Precedents**
 - Lease renewal (<1 year remaining)
 - Lease renewal is available during leasehold improvements sales.
 - Lease requirements will be adjusted to current MOS standards
- **City Sewer vs Septic????**
- **Fair Market Value????**
- **Sponsor support for infrastructure????**
- **Lease length????**
- **Lease Renewal... "Start overs"?????**

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Question/Comments

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