



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	1	B
COUNCIL MEETING	05/07/09	
APPROVED BY		
DEPARTMENT DIRECTOR	<i>[Signature]</i>	
CITY MANAGER		

May 7, 2009

FROM: RUSSELL C. WIDMAR, AAE
Director of Aviation

SUBJECT: APPROVE FIVE YEAR HANGAR LEASE AT FRESNO CHANDLER EXECUTIVE AIRPORT WITH WILLIAM NEWBURN D/B/A PACIFIC COAST AERO MARINE REPAIR

KEY RESULT AREA
One Fresno

RECOMMENDATION

That the City Council approve a five year lease with William Newburn dba Pacific Coast Aero Marine Repair, effective as of April 1, 2009, covering a 10,000 square foot commercial hangar at Chandler Airport, at an annual rent of eighteen thousand dollars (\$18,000.00), which will be subject to annual adjustments based on certain cost-of-living indicators regularly published by the US Department of Labor.

Since the Airports Department is operated as a self-supporting enterprise, there would be no impact to the General Fund from this action.

EXECUTIVE SUMMARY

Pacific Aero Marine Repair has been operating an aircraft and avionics repair business at Fresno Chandler Executive Airport since 2002, in part from a commercial hangar sub-leased from Diana Draper and Carole Salas [Mr. Newburn leases a second commercial hangar directly from the City]. In October 2008, Ms. Draper and Ms. Salas surrendered their lease to the City, whereupon Pacific Aero became a direct tenant of the City under a Temporary Use Permit. That Permit expired on March 31, 2009, and the recommended five-year lease has been negotiated to replace it.

BACKGROUND

William Newburn has been successfully conducting an aircraft repair business at Chandler Airport since 2002 as Pacific Coast Aero Marine Repair – specializing in the sale, installation, calibration and repair of aircraft radios and electronic navigation and landing aids (“avionics”). The business has been conducted from two, adjacent commercial hangars – the one leased directly from the City and the other subleased from two sisters, Diana Draper and Carole Salas, who inherited a lease of 203,109 square feet of land and buildings at Chandler, from their parents, including the hangar that is the subject of this staff report.

KEY OBJECTIVE BALANCE

Customer satisfaction: Having a maintenance and repair facility on the airport is a benefit for airport users.

Financial Management: An aircraft repair facility promotes use of the airport by local and transient aircraft owners; promoting economic activity.

Employee Satisfaction: Keeping Chandler Airport economically viable protects jobs.

FISCAL IMPACT

There would be no impact to the General Fund from this action. This lease will produce minimum revenues of ninety thousand dollars (\$90,000) to the Airports Department over the next five years.

CITY COUNCIL AGENDA TRANSMITTAL
DEPARTMENT OF AIRPORTS

COUNCIL MEETING DATE: May 7, 2009

1. TITLE OF REPORT: APPROVE FIVE YEAR LEASE AT CHANDLER AIRPORT TO WILLIAM NEWBURN D/B/A PACIFIC COAST AERO MARINE REPAIR

2. AGENDA PLACEMENT:

- Time Schedule Hearings and Matters
- _____ Schedule Time for Public Notice: _____
- _____ Schedule Time for Citizen Convenience: _____
- General Consent Calendar (1A)
- _____ Consent Calendar - Bills for Introduction
- _____ Consent Calendar - Bills for Adoption (1C)
- _____ General Administration (3)
- _____ City Council (5)
- _____ City/County Intergovernmental Relations (6)
- _____ Executive Session (7)

3. CONTACT PERSON FOR QUESTIONS: Brendan Carmody Ext. 4634
Ext.

4. SPECIAL CONDITIONS:

- _____ Critical that item be placed on agenda this date.
- _____ Controversial item - may have persons appearing to discuss with Council.
- _____ Item requires special interdepartmental coordination.
- _____ Requires more than quorum majority for passage.

5. APPROVAL REQUIRED AND/OR BACKUP MATERIAL SECURED BY:

- _____ City Attorney's Office
- _____ Ordinance _____ Resolution _____ Contract _____ Agreement Lease
- Submitted for approval on _____
- _____ Budget and Management Studies Division
- _____ Human Resources Division

6. NOTES TO CITY MANAGER

7. NOTES FROM CITY MANAGER

ITEM SUBJECT TO MAYOR VETO OR RECONSIDERATION