

**MEMORANDUM  
DEPARTMENT OF FACILITY SERVICES  
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **DECEMBER 5, 2006**

From: **JAMES DURFEE / MARY DIETRICH**

Subject: **LEASE AGREEMENT - AUBURN AIRPORT HANGAR #52**

**ACTION REQUESTED / RECOMMENDATION:** Approve a Lease Agreement between the County of Placer and the Hall Charitable Remainder Trust for Hangar #52 within Building "A" at the Auburn Airport located in Auburn, CA, and authorize the Chairman to execute this Agreement on behalf of your Board.

**BACKGROUND:** Currently Placer County leases three separate hangars at the Auburn Airport to support the air operations of the Sheriff's Department Patrol Program. Two of these leases, Hangar 15 and the Nella Oil Facility Lease, are on a month-to-month basis, and are utilized for storage of the Sheriff's fixed wing aircraft and assorted aircraft parts. Provisions contained in these leases permit either the County or the landlord to terminate these agreements on thirty days advance notice. The third lease for Hangar #46 was approved by your Board earlier this year with the Hall Investment Trust. This Hangar is used to store the Sheriff's helicopter and is under lease for a one year term.

In August, Mervin Hall approached Sheriff's Department representatives with an offer to lease his Hangar #52, with the ultimate intent of donating this hangar for the Sheriff's Department air operations. This hangar is a 3,600 square foot metal building, which is large enough to accommodate all contents of the three existing hangar occupancies plus room for future growth. Hangar #52 has interior improvements consisting of conditioned office space, an ADA compliant restroom with a shower, storage area, and work benches. Mr. Hall has clear title to this building that he values at \$475,000 based on recent hangar construction at the Auburn Airport.

To implement this offer, the Property Management Division negotiated an agreement which specifies that the lease of Hangar #52 will commence on January 1, 2007 and continue for a term of six (6) years. The rent throughout this term shall be \$2,000 per month, plus monthly common area maintenance fees of \$345, for a total monthly rent of \$2,345. This represents a nominal monthly increase of \$31 over the total rent for the three existing hangar lease agreements. The agreement also contains a provision that the current lease for Hangar #46 shall be voided 30-days after commencement of the term for Hangar #52.

This lease agreement also contains provisions for Mr. Hall's irrevocable donation of Hangar #52 and all associated property interests, exercisable after the six-year lease term expires. This includes assignment of any rights to the underlying Ground Lease with the Auburn Airport Hangar Association, which expires in 2036. This assignment is expressly permitted under the terms of Mr. Hall's current lease agreement with the Auburn Airport Hangar Association. With the concurrence of the Sheriff's Department, another provision of the lease agreement allows the Hall family to use the Hangar for

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one day for an annual family reunion, subject to mutually agreed upon dates. This obligation to provide use of the Hangar will continue in perpetuity should the County accept the Hangar donation. However, said use will be contingent upon the issuance of a liability insurance certificate as required by the County's Risk Management Division and other reasonable terms to protect County assets. Additionally, the donation would be completed at no cost to the County other than any applicable transfer fees. The manner in which this offer is drafted will give a future Board of Supervisors complete discretion with regard to the acceptance of this donation offer.

In order to execute this Lease Agreement, and to memorialize Mr. Hall's offer of donation, your Board must authorize the Chairman to execute this Lease Agreement. A copy of this Lease Agreement is available for review at the Clerk of the Board's Office.

**ENVIRONMENTAL CLEARANCE:** The lease of this facility is Categorically Exempt from review pursuant to Section 15301 of the California Environmental Quality Act. This Section provides for activities, including leasing of existing facilities, when there is no expansion of use beyond that previously existing.

**FISCAL IMPACT:** Rent and common area maintenance expenses for this facility will commence at \$2,345 per month (\$28,140 annually). Funding for this cost is available in the Sheriff's Department 2006/2007 Budget.

JD:MD:MR:mm

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD'S OFFICE: LEASE AGREEMENT

cc: COUNTY EXECUTIVE OFFICE  
SHERIFF'S DEPARTMENT

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