

CPAD Lease Committee Recommendation

May 22, 2022

Hangar Lease and Tie Down Recommendations

Per the request of the CPAD Board of Directors, the Ad Hoc Hangar Lease Committee was formed to review current CPAD owned hangar and tie down rates along with hangar lease and tie down documentation and procedures. The following is the recommendation of the committee to the CPAD Board of Directors.

Effective July 1, 2022, the “base rate” hangar lease, tie down and transient parking rates will change to a new pricing schedule.

1. The rates are set on a consistent price per square foot across all hangars and a fixed price per month for all tie downs.
2. The rates will update every fiscal year (July-June) based on the published April Consumer Price Index (CPI) for inflation over the previous 12-month period.
3. These new rates will not impact any hangars with existing leases until the end of the current lease. At the end of the existing lease, those impacted hangars will revert to the new pricing structure immediately and will be renewable at the end of that fiscal year.
4. Effective June 1, 2023, all **new** requests to be added to the hangar and/or tie down waiting list will fill out an application and pay a non-refundable \$50 application administrative fee.

Beginning July 1, 2022 (Fiscal Year 2022-2023) all **non-flight school hangars** will revert to a 1-year lease which **must be renewed annually prior to May 31 of the following year.**

1. Any hangar leases not renewed by May 31 will default to a 30-day notice status and hangar must be vacated by the June 30.
 - a. Hangars in this status will be offered to the next person on the hangar waiting list.
2. Flight school hangars will follow the same rules, but will have the option of a 1-year or 3-year lease to afford for stable business planning.
3. All tie downs will remain on a month-to-month lease following current procedures.

Current Pricing and FY 2022-2023 “Base Rates”

Hangar	Sq Ft.	Current Rent	End Lease Date	FY 2022-2023 “Base Rate”	2022-2023 \$ Per Sq Ft
H1	968	\$385	6/30/22	\$484	\$.50
H2	1353	\$410	6/30/22	\$676	\$.50
H3	1353	\$425	6/30/22	\$676	\$.50
H4	968	\$450	6/30/22	\$484	\$.50
H4A	385	\$100	6/30/22	\$192	\$.50
H5	1434	\$510	6/30/22	\$717	\$.50
H6	1476	\$525	6/30/22	\$738	\$.50
H7	1476	\$515	6/30/22	\$738	\$.50
H8	3776	\$900	12/26/23	\$1,888	\$.50
Tie Down		\$75		\$95	N/A
Transient		\$4/day		\$8/day	N/A

In certain situations, “Base Rates” can be adjusted to a lower “Net Payment” by the Airport Manager or CPAD Board of Directors to accommodate services provided by the lessee such as equipment storage, IT Services or other considerations. Accommodations up to \$50 can be made by the Airport Manager without CPAD Board Approval, but reason for accommodation must be documented and retained with the lease.

Annual Base Rate Adjustment Process for Airport Manager

1. On approximately April 15 of each year, log onto Bureau of Labor Statistics <https://www.bls.gov/charts/consumer-price-index> or other such verified site to obtain the Consumer Price Index (Inflation rate) across all categories for the previous 12 months.
2. Adjust last years “Base Rate” for all hangars and tie down to determine the new “Base Rate” for the upcoming fiscal year (Starting July 1)
3. Mail a letter **no later than April 30** notifying each tenant of the change in rent that will go into effect July 1 and that they must **renew their lease prior to June 30. Failure to renew lease by June 30 will result in an automatic 30 notice of lease termination and subsequent loss of the hangar.**
4. Airport Manager will update hangar lease to incorporate these changes.

Approximate Change in CPAD Income From Rental Increases

Hangar	Sq Ft.	Current Rent	End Lease Date	FY 2022-2023 “Base Rate”	Change in Monthly Income
H1	968	\$385	6/30/22	\$484	\$99
H2	1353	\$410	6/30/22	\$676	\$266
H3	1353	\$425	6/30/22	\$676	\$251
H4	968	\$450	6/30/22	\$484	\$34
H4A	385	\$100	6/30/22	\$192	\$92
H5	1434	\$510	6/30/22	\$717	\$207
H6	1476	\$525	6/30/22	\$738	\$213
H7	1476	\$515	6/30/22	\$738	\$223
H8	3776	\$900	12/26/23*	\$1,888	\$988
Tie Down		\$75		\$95	\$400
Transient		\$4/day	**	\$8/day	\$80
Monthly Gain					\$2,853
Annual Gain					\$34,236

*Hangar 8 is under a lease at current rate until the end of 2023.

**Estimate of 20 overnight transient tie downs per month.