

TO: City Commission
FROM: David Dillner, City Manager
SUBJECT: Airport T-Hangar Lease Agreements
DATE: March 29, 2011

At the direction of the City Commission, Building Inspector Dick Paul conducted an initial inspection of the T-Hangar on January 27, 2011 and reported his findings to Senior Management Advisor Dennis Kissinger. Of the ten hangars, three were found to be non-compliant with the current Lease Agreement. On February 11, 2011, Mr. Kissinger notified all tenants having leases for space at the City's T-Hangar located at the Abilene Municipal Airport of any violations of their Lease Agreement with the City.

Tenants were asked to certify the contents of their leased hangar to the City by February 23, 2011. Several tenants were determined to be storing items other than airworthy aircraft. According to Section 2b of the T-Hangar Lease Agreement, "storage of any item other than an airworthy aircraft and necessary aircraft ground handling equipment must have prior written approval of the City of Abilene." As of the March 16, 2011 inspection, the following hangars were found to be non-compliant:

- Hangar No. 31: plane parts, boxes, tools, motor stand, and general items
- Hangar No. 33: hangar contained plane owned by someone other than tenant
- Hangar No. 34: hangar contained suburban owned and used by tenant when he flies into airport for farming operation

The City Manager requests that the City Commission provide direction on the ability of tenants to store items other than airworthy aircraft and necessary ground handling equipment for the T-Hangars at the airport.

- Option A: Do not allow storage of items other than what is currently allowed in the Lease Agreement.
- Option B: Allow storage of items other than what is currently allowed, provided that the tenant receives pre-approval from the City Manager.

Recommendation: Management recommends the City Commission approve Option A and only allow the storage of airworthy aircraft and necessary aircraft handling equipment as per the existing Lease Agreements.

Rationale: The airport is for general aviation traffic to fly to and from, thus storage of aircraft that is not airworthy or other items would require the City to serve as a self-storage facility for the tenant. The City is not in the self-storage business; tenants wanting to store items other than airworthy aircraft and necessary aircraft ground handling equipment should locate such services at a private sector provider. The City Manager believes that this is the most equitable means of addressing this issue and prevents tenants from arguing that storage allowances were made arbitrarily by the City.

The City Manager also requests the City Commission provide direction on the enforcement of the Lease Agreements:

- Option A: Revoke Lease Agreements within a defined period of time for non-compliant tenants as of March 16, 2011 (date of last inspection). The City would not conduct a re-inspection, but would go off of the results of the last re-inspection. Per the Lease Agreement, the City may terminate the Agreement after providing written notice to any tenant found to be in default of any obligations articulated in Section 2 of the Lease Agreement. Termination may occur immediately or after an established period of time as defined in the written notice.
- Option B: Provide a specified period of time (i.e., 30-60 days) for tenants to become compliant before revoking their Lease Agreement. This would require another re-inspection by the City to ensure compliance on the part of the tenant prior to termination of any Lease Agreement.
- Option C: Conduct a re-inspection to determine if non-compliant hangars have been brought into compliance since the March 16, 2011 inspection. Lease Agreements for hangars found to be non-compliant may be provided a

period of time to come into compliance or be terminated following written notice per the City Commission's direction.

Recommendation: Management recommends that the City Commission approve Option C and conduct one final inspection. If hangars are determined to be non-compliant, the City would provide written notice that the Lease Agreement will be revoked by the City within ten business days. All items in the T-Hangar must be removed by the tenant within the ten days or the City would remove them.

Rationale: The Community Development Department maintains a waiting list for T-Hangars at the airport. Presently there are six people on that list. Other potentially responsible tenants are being prevented from using a quasi-public facility while current tenants maintain a non-compliant lease with the City. The T-Hangars were intended to be used for general aviation purposes by members of the public with a Lease Agreement with the City. Those tenants who prevent responsible users from using the T-Hangars are preventing the use of the facilities as intended.

Mr. Kissinger also referenced the need for appointed members of the Airport Advisory Board to be good examples of stewardship for public property, especially if the public property falls within the context of their appointed duties. During this process of reviewing the leases at the airport, it is my understanding that certain members of the Airport Advisory Board may have been non-compliant with their Lease Agreement. The City Commission should determine if non-compliance is grounds for removal from their appointed position. Management does not have a recommendation on this matter, but cautions that public perception of the City may be influenced by how the City Commission decides to move forward on this matter.