

AIRPORT LEASES
Standard Lease Negotiation Policies and Parameters

Standard Lease

1. Term = 20 years, up to two, 5 year option extensions permitted.
2. Lease rate at market rate of approx. 8% of estimated land value, standard CPI clause with 8% max. per year.
3. Standard lease can be negotiated by City staff and brought forward to the full Council.
4. May grant up to 3 months free startup rent.
5. Add sublease clause drafted by City Attorney, City to reserve the right to re-negotiate lease terms upon transfer of property.
6. Must comply with all FAA requirements and City codes.

Special Lease

1. Term = 30 years with flexibility to go to 50 years.
2. Requires high employment(30+employees) or significant sales tax revenues to City.
3. Requires City Council Committee involvement during negotiations.
4. Lease rate at market rate or approx. 8% of appraised value for industrial properties, may go as low as 5 %
5. CPI clause may be negotiated down to limit of 2% per year.
6. May grant up to 6 months free startup rent.
7. Fixed base operators and aviation related businesses, may also qualify for consideration.
8. Add sublease clause drafted by City Attorney, City to reserve the right to re-negotiate lease terms upon transfer of property.
9. Must comply with all FAA requirements and City codes.