

<b>Title:</b> Administrative Policy Airport Lease Agreements	<b>Policy No.</b> Part 1, County Administration Chapter 2, County Organization Section 5
	<b>Effective Date</b> May 5, 2020
<b>Policy Custodian</b> Development and Transportation Department	<b>Adoption/Revision Date</b> May 5, 2020

**Adopting Resolution(s):** CC20-090

**References (Statutes/Resos/Policies):** CC06-155, CC17-189, CC19-286

**Purpose:** To set standards for granting, renewing and extending lease agreements at the Rocky Mountain Metropolitan Airport and permit the chairman of the Board of County Commissioners (BCC) to sign leases in certain circumstances.

**Policy:** Airport Lease Agreements

A. Applicability

1. This policy is applicable to all airport-owned and operated properties and leaseholds.
2. This policy shall govern new leases, renewals and extensions by: affording uniformity with respect to the granting of airport leases; establishing lease terms that correspond with hangar/property development projects; encouraging full property utilization; preventing land banking; and ensuring compliance with local, state and federal laws and grant assurances.

B. Definitions

Improvement means any building, structure, fixture or enhancement currently existing on a parcel of leased airport property at the time the county considers granting a lease renewal/extension for such parcel.

C. Rights of Lessees

Each lessee shall have an opportunity to negotiate a fair and reasonable lease agreement with the county that complies with applicable law and the airport's prevailing "Rates and Charges," "Minimum Standards" and "Rules and Regulations." A lease's term shall give a lessee the benefit of a reasonable amortized life of the improvements.

D. Lease Term

1. Hangar Ground-Lease (excluding temporary hangar structures)  
The standard term for ground leases shall be up to 30 years plus one 10-year option to extend. The total term of a lease may be increased to 30 years plus two 10-year options to extend (a 50-year term) if: (1) improvements encompass a minimum of 12,000 square feet and (2) the entire contiguous leasehold is greater than 43,560 square feet.
2. County-Owned Buildings or Office Space Leases  
The standard term for building/office leases shall be up to 1 year plus a maximum of four options to renew for the same time period as the original lease term.

3. County-Owned T-Hangars, Dedicated Parking (automobile or aircraft) Spaces, Temporary Hangar Structure, and Terminal Concessions  
The standard term for County-owned t-hangars, dedicated parking spaces, temporary hangar structure, and terminal concessions shall be one month with automatic one-month renewals and the ability of the County to terminate said lease at any time with 30 days written notice.

#### E. Lease Renewals and Extensions

1. A lessee may obtain a renewal or extension via a new lease agreement or an amendment to an existing lease provided that a lessee is not in breach or default of its current lease obligations. Lessees in breach or default of current lease obligations may not renew or extend their lease.
2. Lease Renewal or Extension Terms:
  - a. Current Lease Rates Apply: All renewals and extensions shall be subject to the Airport's prevailing "Rates and Charges" and annual Consumer Price Index and market rate adjustments.
  - b. Length of Renewal Term: Any renewal or extension shall grant a term of at least one month and shall be no longer than the length of the prior lease term (including option periods).
  - c. Form of Renewal: The county may elect to grant a lease renewal (in the form of a new lease agreement) or a lease extension (via an amendment to the prior lease) depending on whether the terms and provisions in the existing lease are up to date.
3. Renewal Criteria: Criteria that the Airport Director may use to assess whether to grant a renewal or extension include, without limitation:
  - a. reasonable useable life of improvements;
  - b. condition of improvements (both cosmetically & structurally, including overall condition, exterior skin, roof, pavement, interior, landscaping, drainage, structure and function) and cost to the county for continued maintenance of the leased premise (if any);
  - c. future capital investment (if any) by lessee to improve the leasehold and extend the useable life or condition of the improvements;
  - d. remaining functionality of improvements for its applicable use;
  - e. history of compliance with Airport Minimum Standards and Rules and Regulations during the existing term of the lease; documented failure to comply with rules may be grounds for denial of a renewal or lease extension;
  - f. compatibility with long-term airport development goals, including but not limited to, the Airport Master Plan, Airport Layout Plan, and development visions of the Board of County Commissioners; and

g. conformance of proposed lease extension or renewal with this Airport Lease Agreement Policy.

4. The Airport Director shall determine if the renewal criteria above have been met. If the renewal criteria have been met and provided that the county and a lessee can reach agreement on the terms and provisions of any renewal or extension, a lessee may obtain a renewal or extension.

F. Landlord Lease Consents and Estoppel Certificates

The Airport Director is authorized to execute any landlord consent to assignment of a lease and/or lease estoppel certificates relating to airport leases or the transfer of existing airport leases to a new lessee so long as such approval is consistent with the terms of the underlying lease and this policy.

G. Signature Authority for Airport Leases

1. The Chairman of the BCC is authorized to execute:

a. New lease agreements when the term does not exceed five (5) years and revenue from the lease is less than \$25,000 per month after such lease has been approved as to form by the County Attorney's Office.

b. Amendments of leases of any length or revenue amount in accordance with the terms of this policy after such amendment has been approved as to form by the County Attorney's Office.

2. Leases not meeting the above criteria shall be presented to the BCC for approval, subject to the BCC's standard operating procedure for approving contracts.