AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission
FROM: Ken Hibl, City Manager
DATE: July 14, 2010
RE: Approval of Airport T-Hangar Rental Process & Procedures

For the Agenda of July 19, 2010

Background. As the City Commission is aware, the City has completed construction of a new T-Hangar Building at the Clare Municipal Airport to facilitate short and long-term rental of aircraft, thereby generating additional revenue to support airport operations. The City Staff recommends that the City Commission approve the process and procedures for renting these hangars. We have outlined the framework for these procedures in resolution format (*see copy of att'd Resolution 2010-080*) for the Commission's consideration; we have also attached a suggested Hangar Rental Agreement form (*copy att'd*) to support the recommended process and procedures. The primary factors of the proposed process and procedures include:

- All long-term leases (those defined as 45 days or longer) must be approved by the City Commission.
- All short-term leases (those defined as one day to 45 days) are approved by the Airport Manager.
- All leases, regardless of short or long-term, are to be consummated using the proposed hangar rental agreement form.
- Record copies of all rental agreement form, regardless of short or long-term, shall be maintained by the City Clerk.
- The Airport Manager shall be responsible for collection of all short-term lease fees; the City Treasurer & Finance Director shall stipulate the process and procedures and shall maintain oversight for collection of these fees.
- The City Clerk shall be responsible for invoicing and collecting all fees associated with approved long-term leases.
- The City Commission shall annually approve the fee/rental rates for both long-term and short-term leases in conjunction with the approval of the annual budget; the City Staff shall annually recommend to the City Commission the fee/rates to be charged.

Issues & Questions Specified. Should the City Commission approve the proposed process and procedures for long and short-term leases for the Airport T-Hangar Building?

Alternatives.

1. Approve the proposed process and procedures.
2. Approve an amended version of the proposed process and procedures.
3. Do not approve specific process and procedures for rental of the T-Hangar Building.
4. Set the matter aside for consideration at a later-scheduled commission meeting.

Financial Impact. The following rental rates were previously approved by the City Commission: $140 per month for a standard T-hangar; $170 per month for a large T-hangar; and $300 for a box hangar. We have not set a short-term lease rate and will provide the Commission a recommendation for this rate when we discuss this topic at Monday's meeting.

Recommendations. I recommend that the Clare City Commission approve the proposed process and procedures by adoption of Resolution 2010-080 (*copy att'd*).

Attachments.

1. Resolution 2010-080.
2. Lease Agreement Form.

RESOLUTION 2010-080

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE PROCESS AND PROCEDURES FOR LEASE OF CLARE MUNICIPAL AIRPORT RENTAL HANGARS.

WHEREAS, the City recently completed the construction of a new T-Hangar Building at the Clare Municipal Airport; and

WHEREAS, said Building is owned by the City and was constructed specifically to generate revenue to assist in defraying the cost of airport operations; and

WHEREAS, the City Commission deems it prudent and appropriate to provide specific process and procedures for the lease of said airport rental hangars.

WHEREAS, said process and procedures; and

NOW THEREFORE BE IT RESOLVED that the City Commission of the City of Clare hereby approves the following process and procedures for the lease of Clare Municipal Airport Rental Hangars owned by the City of Clare:

A. All long-term leases (those defined as 45 days or longer) shall be approved by the Clare City Commission.
B. All short-term leases (those defined as one day to 45 days) shall approved by the Clare Municipal Airport Manager.
C. All leases, regardless of short or long-term, are to be consummated using an approved Hangar Rental Agreement Form, a copy of which is attached hereto.
D. Record copies of all rental agreement forms, regardless of short or long-term, shall be maintained by the City Clerk.
E. The Airport Manager shall be responsible for collection of all short-term lease fees; the City Treasurer & Finance Director shall stipulate the process and procedures and shall maintain oversight for collection of said fees.
F. The City Clerk shall be responsible for invoicing and collecting all fees associated with approved long-term leases.
G. The Clare City Commission shall annually approve the fee/rental rates for both long-term and short-term leases in conjunction with the approval of the annual budget; the City Staff shall annually provide to the Commission appropriate recommendations for said fee/rental rates.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 19th day of July 2010.

_____

Diane Schmidt, City Clerk

CITY OF CLARE
CLARE MUNICIPAL AIRPORT
HANGAR RENTAL AGREEMENT

This agreement is made on _____, 20_____, between:

CITY OF CLARE, Clare, Michigan 48617

and _____
(please print)

This agreement is for hangar number _____.

This is a _____ rental, (rental period may be yearly, monthly or daily.)

The rental begins on _____, 20_____.

A payment of $_____ is due on the anniversary of a yearly agreement, the first of each month for a monthly agreement, or prior to departure for a daily agreement. If payment is not made within thirty (30) days of due date, the renter agrees to vacate the property.

The renter agrees to abide by the standards set by the ***Aeronautics Code of the State of Michigan Act 327 of 1945*** and the ***Clare Michigan Code of Ordinances, Chapter 4, Article II, Municipal Airport Policies, Rules, Regulations, and Standards***, and all other Federal, State, and Local statutes in effect at the date of this agreement.

Signed in Clare, Michigan, by:

City Of Clare		Renter	
_____	_____	_____	_____
Pat Humphrey, Mayor or Richard Acker, Airport Manager	Date	Renter's Signature	Date

_____
Billing Address

_____
City, State & Zip Code

_____
Telephone Number