



Legislation Details (With Text)

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Title: Actions related to the Third Amendment to the Airport Lease Agreement with D&D Aircraft Services:
 1. Adopt a finding of Categorical Exemption pursuant to Article 19, Section 15301/Class 1 (Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines to authorize Lease Amendment No. 3.
 2. Approve Lease Amendment No. 3 between the City of Fresno and D&D Aircraft Services, Inc., at Fresno Chandler Executive Airport. (Council District 3)

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. 10-11-2018 Lease Amendment No. 3.pdf

| Date | Ver. | Action By | Action | Result |
|------------|------|--------------|----------|--------|
| 10/11/2018 | 1 | City Council | approved | Pass |

REPORT TO THE CITY COUNCIL

October 11, 2018

FROM: KEVIN R. MEIKLE, Director of Aviation
Airports Department

SUBJECT

Actions related to the Third Amendment to the Airport Lease Agreement with D&D Aircraft Services:

1. Adopt a finding of Categorical Exemption pursuant to Article 19, Section 15301/Class 1 (Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines to authorize Lease Amendment No. 3.
2. Approve Lease Amendment No. 3 between the City of Fresno and D&D Aircraft Services, Inc., at Fresno Chandler Executive Airport. (Council District 3)

RECOMMENDATION

Staff recommends that City Council adopt a finding of Class 1 Categorical Exemption, pursuant to Section 15301 of the CEQA Guidelines, and authorize the Director of Aviation to execute Amendment No. 3 to the existing airport lease and agreement with D&D Aircraft Services, Inc. (D&D) at Fresno Chandler Executive Airport (FCH), to extend the term of the agreement by an additional three years.

EXECUTIVE SUMMARY

D&D Aircraft Services, Inc., is one of three aircraft maintenance and repair businesses that operate at FCH. The business provides maintenance and repair services for all types of aircraft, including helicopter services. D&D has a reputation for quality work and has a regular clientele from all over the State of California. The existing agreement has been in holdover since April 30, 2018. Amendment No. 3 will extend the term of the agreement to April 30, 2021.

BACKGROUND

D&D Aircraft Services, Inc., is operated by Chris Dillahunty, who is a licensed Aircraft and Powerplant mechanic. The company entered into a five year agreement with the City of Fresno in May 2007 and the term was extended for three years in 2012 (Amendment No. 1) and for another three years in 2015 (Amendment No. 2). The leasehold consists of 3,000 square feet of hangar and office space and three aircraft tie-down positions directly adjacent to the hangar facility.

D&D Aircraft Services, Inc. desires to continue operating at FCH under a three year extension at an annual rent of \$9,386.26, which is in accordance with the Lease terms. The rent is subject to annual Consumer Price Index (CPI) adjustments and has a 60-day termination clause (typical for all new or renewed Airport Department leases).

The City Attorney has reviewed and approved Amendment No. 3 as to form.

ENVIRONMENTAL FINDINGS

Staff has determined this project falls within the Class 1 Categorical Exemptions set forth in the California Environmental Quality Act (CEQA) Guidelines, Article 19, Section 15301 (Class 1/Existing Facilities), as it involves the continuation of an existing lease with no changes to usage. Furthermore, staff has determined none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

LOCAL PREFERENCE

Local preference is not applicable because this is an amendment to an existing agreement.

FISCAL IMPACT

The revenue for next three years is \$28,158.78 plus annual CPI adjustments. Total revenue received since the Agreement was executed, in 2007, including from Amendment No. 3, will be \$129,895.12 plus future CPI adjustments. All revenue will be deposited into the Airports Enterprise Fund and will contribute to the operation and maintenance of FCH. In addition, D&D will continue to provide an economic benefit to the Community and the airport through fuel purchases and aircraft services and maintenance provided to other tenants. There is no impact to the General Fund from this item.

Attachments:

- Lease Amendment No. 3

