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Title: Actions pertaining to On-Airport D&D Aircraft Services Hangar Facility Lease Agreement at Fresno Chandler Executive (Council District 3) - Airports Department

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

2. Approve Lease Amendment No. 2 between the City of Fresno and Chris Dillahunty, dba D&D Aircraft Services at Fresno Chandler Executive Airport (FCH).

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. 07-30-15 DD Amendment No 2 CAO Approved.pdf, 2. 07-30-15 DD Staff Report Site Map.pdf

Date	Ver.	Action By	Action	Result
7/30/2015	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

July 30, 2015

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

SUBJECT

Actions pertaining to On-Airport D&D Aircraft Services Hangar Facility Lease Agreement at Fresno Chandler Executive (Council District 3) - Airports Department

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

RECOMMENDATION

Adopt a finding of Categorical Exemption to authorize Lease Amendment No. 2 between the City of

Fresno and Chris Dillahunty, dba D&D Aircraft Services.

EXECUTIVE SUMMARY

The existing five-year lease with a three-year extension expired on April 30, 2015 and has been in holdover since. D&D Aircraft Services (D&D) is an aircraft maintenance business that has been operating at FCH since 1992 and desires to continue operating in the same location for at least three more years. Amendment No. 2 will extend the term through April 30, 2018.

BACKGROUND

D&D is one of four small aircraft maintenance and repair businesses that currently operate at FCH. They provide maintenance and repair services for all types of aircraft and specialize in helicopters. D&D has a reputation for quality work, and has a regular clientele from all over California.

D&D, operated by Chris Dillahunty (a licensed Aircraft and Powerplant mechanic), was initially a subtenant of Marion P. Lawton, which at that time was the direct Lessee with the City. That lease was surrendered to the City in October 2006, thereby making D&D a direct tenant of the City. In May 2007 the City executed a five-year lease with D&D. Additionally, a three-year extension of that lease was executed in May of 2012 (Amendment No. 1). 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. Refer to attached Site Plan.

D&D desires to continue operating at FCH under a three year extension, at an annual rent of \$9,139.67, which is in accordance with the Lease terms. The rent is subject to annual Consumer Price Index ("CPI") adjustments (typical for all new or renewed Airport Department leases).

Lease Amendment No. 2 has been approved as to form by the City Attorney's Office.

ENVIRONMENTAL FINDING

This lease falls within the Class 1 Categorical Exemption for Existing Facilities set forth in the California Environmental Quality Act (CEQA) Guidelines, Sections 15301(a) and (d), as it involves minor or no alteration of existing leasehold structures with no expansion of use, and will not result in any significant negative effects relating to traffic, noise, air quality or water quality. None of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

LOCAL PREFERENCE

Local preference was not considered because this lease amendment does not preclude a bid or award of a construction or services contract.

FISCAL IMPACT

The revenue from this lease will be \$9,139.67 per year, and is subject to annual adjustments based on the CPI. The total estimated revenue from this lease for all three years is \$27,419.01, plus CPI adjustments. All revenue will be deposited into the Airports Enterprise Fund and will contribute to the operation and maintenance of FCH. In addition, this continued business will provide an economic

benefit to the City and the airport through fuel purchases, aircraft services, and maintenance provided to other tenants. There is no impact to the General Fund from this item.

Attachments:

Agreement

Site Map