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Title: Actions related to the Lease Agreement with John Tomaino, an individual, d.b.a. American Helicopters, which is a Specialized Aviation Service Operation (SASO) that runs a helicopter and airplane flight training business at Fresno Chandler Executive Airport (FCH). (Council District 3)

1. Adopt a finding of Categorical Exemption pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act Guidelines
2. Approve the Lease Agreement (Lease) with John Tomaino, an individual, d.b.a. American Helicopters, to continue operating a helicopter and airplane flight training business at FCH for a term of three (3) years. The amount of potential revenue generated by this Lease is \$57,203.16. (Council District 3)

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. 09-01-2022 Lease Agreement for John Tomaino, dba American Helicopters (FCH).pdf

Date	Ver.	Action By	Action	Result
9/1/2022	1	City Council	TABLED	

REPORT TO THE CITY COUNCIL

FROM: Henry Thompson, Director of Aviation
Airports Department

BY: Melissa Garza-Perry, Airports Properties Manager
Airports Department

THROUGH: Michael Vasquez, Airports Properties Supervisor
Airports Department

SUBJECT

Actions related to the Lease Agreement with John Tomaino, an individual, d.b.a. American Helicopters, which is a Specialized Aviation Service Operation (SASO) that runs a helicopter and airplane flight training business at Fresno Chandler Executive Airport (FCH). (Council District 3)

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RECOMMENDATION

Staff recommends that City Council adopt a finding of Categorical Exemption, pursuant to Section 15301 of the California Environmental Quality Act (CEQA) Guidelines, and authorize the Director of Aviation, or designee, to execute the Lease with John Tomaino, an individual, d.b.a. American Helicopters, to continue operating on FCH's airfield for a term of three (3) years. The amount of potential revenue generated by this Lease is \$57,203.16.

EXECUTIVE SUMMARY

John Tomaino, an individual (Mr. Tomaino), is currently operating American Helicopters at 612 W. Kearney Boulevard, which is located on FCH's airfield, as a month-to-month holdover. Mr. Tomaino's original agreement expired on February 28, 2022. Despite the COVID-19 pandemic negatively impacting his helicopter and airplane flight training school, which was a similar experience of other businesses that were also located on FCH's airfield in 2020 and 2021, American Helicopters was able to survive the economic downturn. This Lease will allow Mr. Tomaino to continue running American Helicopters at FCH's airfield through August 31, 2025.

BACKGROUND

American Helicopters has been a fixture at FCH, since 2006. Mr. Tomaino began leasing the current location of 612 W. Kearney Boulevard (Leasehold) on March 1, 2010. The Leasehold consists of approximately a 29,500 square foot parcel, which includes a 6,560 square foot hangar with office space. As a month-to-month holdover, Mr. Tomaino pays a monthly rental rate of \$1,091.80 for an annual rental rate totaling \$13,101.59. However, AGI Valuations, Inc. recently completed an appraisal of the Leasehold and determined its Fair Market Rental Value to be \$1,833.33 per month (approximately \$22,000.00 annually). Consequently, under this proposed Lease, American Helicopters' monthly rental structure would be \$1,341.80 (\$16,101.60 annually) during Year 1, \$1,591.80 (\$19,101.60 annually) during Year 2, and \$1,833.33 (\$21,999.96 annually) during Year 3. This proposed rental structure, which is reasonable given FCH has not fully recovered from the pandemic, would allow Mr. Tomaino to continue operating American Helicopters without there being any disruption in helicopter and airplane flight training services to the local aviation community and FCH's patrons.

The City Attorney has reviewed and approved the Lease as to form.

ENVIRONMENTAL FINDINGS

This Agreement falls within the Class 1 Categorical Exemption for Existing Facilities set forth in the CEQA Guidelines, Section 15301 for existing facilities, as it involves no alteration of existing facilities, with no expansion of use, and will not result in any significant negative effects relating to traffic, noise, air quality or water quality. Furthermore, 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 implemented because this item is regarding an existing tenant that desires to continue operating at FCH.

FISCAL IMPACT

The potential revenue generated by this Lease will be \$57,203.16. All revenue will be deposited into the Airports Enterprise Fund and will contribute to the operation and maintenance of FCH. There is no impact to the General Fund or ratepayers of the City of Fresno from this item.

Attachment: Lease Agreement for John Tomaino, dba. American Helicopters, at FCH.