

**KITTITAS COUNTY
AIRPORT STUDY SESSION MINUTES
WEBEX, WEBEX
Regular Meeting**

MONDAY	11:00 AM	February 8, 2021
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Board members present: Chair Brett Wachsmith, Vice Chair Laura Osiadacz, Commissioner Cory Wright

Others: Greg Zemple, Neil Caulkins, Benjamin West, Julie Kjorsvik, Jeff Renard

Meeting Called to Order at 11AM

Lease Policy Review: This discussion presented by Director Grannan was to review policy standards for new airport leases. Lease Term, Lease Rate, Rate Escalation, Leasehold Improvements residual value (Reversionary Clause), Lease Assignment and Sublease, design approval and development timelines are the major policy issues needing to be finalized.

- Lease Terms currently 25-30 years with added extensions to 40 years. Maximum of 50 years approved by the FAA and County maximum of 35 years as expressed by Neil Calukins.
- Rate escalation to be set on a flat rate with 5-year increases and market adjustment if we set the initial base rate at a new and updated value. Questions were raised if the 5-year market study was a widely supported evaluation process? It is currently a mixed field and will need to be addressed in the AAC and brought to the BoCC for final decision.
- Assignment per FAA, control needs to stay with the Airport.
- Residual Value of leasehold improvements. All improvements revert to the airport sponsor at the end of the lease term. Several questions were posed during discussion as follows; How do we manage assets after the end of the term to provide value and maintain the structures thorough out the length of the lease? If the improvement is taken over by the Airport how do we make sure the county isn't ending up with derelict buildings. How does this provide incentive for improvement by tenants? More discussion will take place with the Airport Advisory Committee to provide clarity, options and recommendations.

Tenant Cleanup: The airport is looking for guidance for a grace period for tenant improvements of current leased properties. Many tenants out of compliance of current lease agreements. It is the plan of the airport department to set the standard by maintaining our own properties prior to enforcing any lease regulations. Commissioner Osaidacz asked about sleeping in hangar structures and was this a residence or temporary use? She also said the county has the responsibility to set the standard prior to asking tenants to make corrections. The airport department will be making efforts to clean up our properties in the coming months with final assessments by July 1, 2020.

OTHER BUSINESS

Binding Site Plan: The binding site plan application is in process and will be submitted to the county for final approval. As soon as that plan is approved, we can move forward with the development of new hangars.

Airport Resiliency Study by CISA, this is a meeting with Homeland Security, WSDOT Aviation, FEMA and others to discuss the potential resources available at Bowers field if we faced a Cascadia Subduction Zone magnitude 9 earthquake. Findings of the study will be comprised of reports from 20 strategic airports in Washington state.

Preliminary Airport Appraisal is still in process due to the assessment the appraisal was higher than our current market.

Moved into our new office.

Meeting adjourned at 11:36AM

Ken Grannan

Ken Grannan

KITTITAS COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON



Brett Wachsmith, Chairman
