

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date: July 7, 2009 [x] Consent [] Regular
[] Workshop [] Public Hearing
Department:
Submitted By: Department of Airports
Submitted For:
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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt: a Resolution establishing rental rates for certain hangar facilities at the North County General Aviation Airport (Airport); authorizing the County Administrator or his designee to increase rental rates for certain hangar facilities at the Airport; and repealing Resolution No. 2007-1755.

Summary: On October 2, 2007 (R-2007-1755), the Board approved a phased increase in the rental rates for certain hangars at the Airport over a five-year period. The first two scheduled increases have taken place and the third is scheduled to occur on October 1, 2009. Staff is recommending suspending the rental rate increase scheduled to occur on October 1, 2009, because the recent economic decline has reduced the demand for hangars. The Department intends to obtain an appraisal of the hangars in 2010 and to reevaluate the rental rates at that time. The Resolution authorizes the County Administrator or his designee to annually increase rental rates commencing on October 1, 2010. The rental rates may be increased to an amount not to exceed the greater of: (i) the fair market rental of such hangar facilities as determined by appraisal; or (ii) three percent (3%) per year. The Aviation and Airports Advisory Board will review and comment on any proposed rental rate increases prior to implementation of the rate increases. Countywide (AH)

Background and Justification: The Department obtains an appraisal of all airport properties every three years. The next regularly scheduled appraisal will occur in the summer of 2010. Although the Department has been able to lease vacant hangars, the amount of time necessary to market and lease the hangars has increased due to the decline in the economy. Implementing the October 1, 2009 rental rate increase is anticipated to result in additional requests to terminate hangar lease agreements and lost revenue.

Attachments:
1. Resolution

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JB Recommended By: Sam Kelly 6/11/09
Department Director Date
Approved By: [Signature] 4/18/09
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	<u>0</u>	<u>0</u>	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	* SEE BELOW <u>0</u>	<u>0</u>	_____	_____	_____
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes x No _____
 Budget Account No: Fund 4100 Department 120 Unit 8250 RSRC 4415
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

* The hangars currently generate approximately \$1,031,483.20 per year in revenue at full occupancy under the existing rate structure. The recommended action will produce the same revenues in 2010, assuming full occupancy. While this is \$152,500 less than originally anticipated had the price increases occurred, staff believes that the scheduled rate increase would drive down occupancy rates causing significant losses in revenue.

C. Departmental Fiscal Review: CM Sinner

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

W. H. Wister
 OFMB
 6/11/09

Don J. Stewart
 Contract Dev. and Control
 6/16/09

B. Legal Sufficiency:

Anne Delgant 6/17/09
 Assistant County Attorney

C. Other Department Review:

 Department Director

RESOLUTION NO. R-2009-

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; ESTABLISHING RENTAL RATES FOR CERTAIN HANGAR FACILITIES AT THE NORTH COUNTY GENERAL AVIATION AIRPORT; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO INCREASE RENTAL RATES FOR HANGAR FACILITIES AT THE NORTH COUNTY GENERAL AVIATION AIRPORT; PROVIDING FOR REPEAL OF CONFLICTING RESOLUTIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on October 2, 2007, the Board of County Commissioners (the "Board") approved a schedule for increasing rental rates for certain hangar facilities at the North County General Aviation Airport (the "Airport") pursuant to Resolution 2007-1755; and

WHEREAS, the Board desires to modify the schedule for increasing rental rates as approved in Resolution 2007-1755 by suspending rental rate increases scheduled to take effect on October 1, 2009; and

WHEREAS, the Board desires to delegate to the County Administrator or his designee the authority to increase future rental rates for certain hangar facilities at the Airport as provided for herein; and

WHEREAS, the delegation of authority to the County Administrator or his designee to establish rental rates for certain hangar facilities at the Airport would eliminate delays caused by requiring such items to be brought before the Board for approval and would therefore be consistent with the goal of the Board to streamline the agenda process.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

1. **Recitals.** The foregoing recitals are true and correct and incorporated herein.
2. **Hangar Rental Rates.** The Board hereby approves the rental rates for the Airport hangar facilities set forth in Exhibit "A", attached hereto and incorporated herein.
3. **Future Rental Rate Increases.** Commencing October 1, 2010, the County Administrator or his designee, the Director of the Department of Airports, may annually increase rental rates for the Airport hangar facilities set forth in Exhibit "A" to an amount not to exceed the

greater of: (i) the fair market rental of such hangar facilities as determined by appraisal; or (ii) three percent (3%) per year. Nothing in this Resolution shall be construed as requiring an appraisal to be obtained prior to approval of an increase of three percent (3%) or less to the rental rates. A summary of the new rental rates approved pursuant to this Resolution shall be received and filed with the Clerk of the Board within ninety (90) days of approval.

4. **Prior Resolutions.** Resolution No. 2007-1755 is hereby repealed in its entirety. All resolutions, which are in conflict with this Resolution, are hereby repealed to the extent of such conflict.
5. **Review and Comment by AAAB.** The Department shall provide the Aviation and Airports Advisory Board (“AAAB”) a copy of any proposed rental rate increases to be approved by the County Administrator or his designee pursuant to this Resolution for review and comment at a regularly scheduled meeting of the AAAB prior to approval.
6. **Severability.** If any section, sentence, clause, phrase, or word of this Resolution is held invalid or unconstitutional by a Court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Resolution.
7. **Effective Date.** This Resolution shall become effective immediately upon adoption.

[The remainder of this page is left intentionally blank.]

The foregoing Resolution was offered by Commissioner _____,
who moved its adoption. The motion was seconded by Commissioner _____,
and upon being put to a vote, the vote was as follows:

Commissioner John F. Koons, Chairman	-
Commissioner Burt Aaronson, Vice Chairman	-
Commissioner Karen T. Marcus	-
Commissioner Shelley Vana	-
Commissioner Steven L. Abrams	-
Commissioner Jess R. Santamaria	-
Commissioner	-

The Chairman thereupon declared the Resolution duly passed and adopted this
_____ day of _____, 2009.

**PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS**

SHARON R. BOCK, CLERK & COMPTROLLER

By: _____
Deputy Clerk

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY**

By: _____
Assistant County Attorney

EXHIBIT "A"

**To
Resolution**

**NORTH COUNTY GENERAL AVIATION AIRPORT
HANGAR RENTAL RATES**

Building	Building Type/ Approx. Square Footage	Monthly Rental Rate
Building 11200	Executive Hangar (1,410 sq. ft./low clear height)	\$450
Building 11210	Executive Hangar (5 smaller units 1,742 sq. ft)	\$610
Building 11210	Executive Hangar (4 larger units 3336 sq. ft.)	\$1322.80
Buildings 11220 11230 11240	T-Hangar (1,400 sq. ft./higher clear height)	\$520
Buildings 11300 11350	T-Hangar (1,126 sq. ft.)	\$365
	Shade Hangar (1,126 sq. ft.)	\$180
Buildings 11720 11730 11740 11750	T-Hangar (1399 sq. ft./higher clear height)	\$595