

Title: Administrative Policy Airport Lease Agreements	Policy No. Part 1, County Administration Chapter 2, County Organization Section 8
	Effective Date April 4, 2006
Policy Custodian Development and Transportation Department	Adoption/Revision Date April 4, 2006

Adopting Resolution(s): CC06-155

References (Statutes/Resos/Policies):

Purpose: To set standards for granting, renewing and extending lease agreements at the Rocky Mountain Metropolitan Airport.

Policy: Airport Lease Agreements

A. Applicability

1. This policy is applicable to all Airport-owned and operated properties and leaseholds.
2. This policy shall govern new leases, renewals and extensions by: affording uniformity with respect to the granting of Airport leases; establishing lease terms that correspond with hangar/property development projects; encouraging full property utilization; preventing land banking; and ensuring compliance with local, state and federal laws and grant assurances.

B. Definitions

Improvement means any building, structure, fixture or enhancement currently existing on a parcel of leased Airport property at the time the County considers granting a lease renewal/extension for such parcel.

C. Rights of Lessees

Each lessee shall have an opportunity to negotiate a fair and reasonable lease agreement with the County that complies with applicable law and the Airport's prevailing "Minimum Standards" and "Rules and Regulations". A lease's term shall give a lessee the benefit of a reasonable amortized life of the improvements.

D. Lease Term

The standard term for leases shall be 20 years plus one 10-year option to extend. The total term of a lease may be increased to 20 years plus two 10-year options to extend (a 40-year term) if: (1) improvements encompass a minimum of 12,000 square feet and (2) the entire contiguous leasehold is greater than 43,560 square feet.

E. Lease Renewals and Extensions

1. A lessee may obtain a renewal or extension via a new lease agreement or an amendment to an existing lease provided that:
 - a. the Airport has conducted a satisfactory evaluation of existing improvements;
 - b. a lessee is not in breach or default of its lease obligations and
 - c. a lessee is in good standing with the County.

2. Term: Any renewal or extension shall grant a term of at least five years and shall include a term of up to 30 years or the length of the prior lease term (including option periods), whichever is greater.
3. Renewal Criteria: Criteria that the Airport may use to assess whether to grant a renewal or extension include, without limitation:
 - a. reasonable useable life of improvements;
 - b. condition of improvements (both cosmetically & structurally, including overall condition, exterior skin, roof, pavement, interior, landscaping, drainage, structure and function);
 - c. future capital investment (if any) by lessee;
 - d. remaining functionality of improvements for its applicable use;
 - e. compatibility with long-term Airport development goals.
4. Upon satisfactory evaluation of the existing improvements conducted at the Airport's sole discretion, and provided that the County and a lessee can reach agreement on the terms and provisions of any renewal or extension, a lessee may obtain a renewal or extension.
5. Form of Renewal: The County may elect to grant a lease renewal (in the form of a new lease agreement) or a lease extension (via an amendment to the prior lease) depending on whether the terms and provisions in the existing lease are up to date.
6. Current Lease Rates Apply: All renewals and extensions shall be subject to current ground lease rates and annual CPI adjustments.
7. Reversion. If improvements revert to the County at the end of an initial lease term, the lessee shall have an option to re-let the ground and improvements at prevailing market rates.
8. Any lease, renewal or extension that complies with this policy will be scheduled on the Consent Agenda for BCC approval. Any exception to this policy will be presented and briefed to the BCC prior to scheduling on the Consent Agenda.