

To: James L. App, City Manager  
From: John McCarthy, Director of Public Works  
Subject: Budget Appropriation for Lease Payment - Kyodo Air facility  
DATE: September 7, 1999

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Need: For the Council to consider approval of a resolution authorizing a budget appropriation for the annual lease payment for the Kyodo Air facility at the Municipal Airport.

Facts:

1. The City has negotiated a lease agreement with a purchase option with Kyodo Air, Inc. which allows for the acquisition and control by the City for aviation purposes, the subject hangar and adjoining office facility on the Airport.
2. The agreement allows the City to improve and develop this prime aviation facility as part of the overall program to enhance and to promote aviation services and activities.
3. The current agreement allows for two (2) years of operation with subsequent provisions for acquisition of the facility as may be later determined.
4. The annual payment per the agreement is \$60,000.00, to be paid from unappropriated reserves in the Airport Operations Fund.

Analysis and  
Conclusions:

The Kyodo Air Facility provides the potential for a variety of aviation services that have heretofore been largely unavailable on the Airport. In keeping with the direction of the City Council and the recommendations of the Airport Advisory Committee, this action allows the City to continue to aggressively support and promote aviation activity and aviation services to the community. The lack of available private enterprise to assume this role has placed the City in a position to promote this effort. This facility also becomes an excellent asset for the City and the Airport, as development progresses.

Fiscal  
Impact:

This budget appropriation from the Airport Enterprise Fund has the potential to be offset by the many revenue opportunities that are available to the City when properly marketed. The initial lease rate and subsequent annual payments are \$60,000 annually, payable in advance.

Options:

- a. That the Council adopt a resolution approving a budget appropriation from the Municipal Airport Enterprise Fund for the Annual payment of the lease agreement; or
- b. Amend, modify or reject any of the options above.

RESOLUTION NO. 99-

A RESOLUTION OF THE CITY OF EL PASO DE ROBLES  
APPROVING A BUDGET APPROPRIATION FOR THE ANNUAL  
LEASE PAYMENT FOR THE KYODO AIR HANGAR FACILITY  
AT THE MUNICIPAL AIRPORT

WHEREAS, the City of Paso Robles has negotiated a lease-purchase agreement for the acquisition of the Kyodo Air Hangar facility at the Municipal Airport; and

WHEREAS, the City of Paso Robles has determined benefit through the promotion, development and operation of this aviation service facility; and

WHEREAS, the adopted Airport Operations budget did not contain an appropriation for the annual lease payment as contained in the subject lease agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles that a budget appropriation is hereby approved in the amount of \$60,000 from reserves within the Airport Operations Fund to budget account 602-310-5224-166.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 17<sup>th</sup> day of August, 1999 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Dennis Fansler, City Clerk