



**CITY OF CORNING
AIRPORT COMMISSION AGENDA
MONDAY, FEBRUARY 5, 2007
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Commissioners:	Rindahl
	Hand
	Ostarello
	Vacant
Chairman	Boot

C. BUSINESS FROM THE FLOOR: If there is anyone in the audience wishing to speak on items not already set on the Agenda, please come to the podium, give your name and address, and briefly identify the matter you wish to have placed on the Agenda. The Commission will then determine if such matter will be placed on the Agenda for this meeting, scheduled for a subsequent meeting, or recommend other appropriate action. If the matter is placed on tonight's Agenda, you will have the opportunity later in the meeting to return to the podium to discuss the issue. The law prohibits the Commission from taking formal action on the issue, however, unless it is placed on the Agenda for a later meeting so that interested members of the public will have a chance to appear and speak on the subject.

D. REGULAR AGENDA: All items listed below are in the order, which we believe, are of most interest to the public at this meeting. However, if anyone in the audience wishes to have the order of the Agenda changed, please come to the podium, state your name and address, and explain the reason you are asking for the order of the Agenda to be changed.

1. Approve Minutes of the August 1, 2005 Airport Commission Meeting.
2. Open Discussion of Fixed Base Operator Lease.
3. Discussion of Aviation Fueling Station at Airport – Rainbow Aviation.
4. Pitman Hangar Lease Agreement - Discussion.
5. FAA Airport Update.

E. ITEMS PLACED ON THE AGENDA FROM THE FLOOR:

F. ADJOURNMENT!

POSTED FRIDAY, JANUARY 2, 2007

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY EMPLOYER

**Minutes of Airport Commission Meeting
Monday, August 1, 2005
City Council Chambers
794 Third Street**

- A. **Call to order:** Meeting called to at 7:320 PM by Chairman Boot.
- B. **Roll call:**
 - Commissioners present:** Boot, Hand and Ostarello.
 - Commissioners absent:** Rindahl and vacant Commissioner opening.
- C. **Business from the floor:** No new business from the floor.
- D. **Regular Agenda:**
 - 1. **Introduction of New Airport Commissioner, Ron Ostarello.**
Operation Superintendent Carl Crain introduced Ron Ostarello as the Commissioner.
- E. **Items placed on the Agenda from the Floor:**
 - 1. Chairman Boot requested a report on Corning Airport Land Acquisition. Operation Superintendent Carl Crain supplied a Progress Report from July 11, 2005 on the Airport Land Acquisition Report and Map.
Chairman Boot asked why all land around the Airport had not been purchased at this time. Operations Superintendent Carl Crain stated that he could not answer the question at this time and would ask the City Manager if he would attend the next meeting.
- F. **Adjournment:**
Being no further business, the meeting adjourned at 7:50 PM.

LEASE

THIS LEASE is made by and between the CITY OF CORNING, a municipal corporation, hereinafter called "Lessor", and BRIAN J. CARPENTER and CAROL CECCONE-CARPENTER, doing business as RAINBOW AVIATION SERVICES, and hereinafter called "Lessee/Operator", upon the following terms and conditions:

1. Lessor leases to Lessee/Operator and Lessee/Operator leases from the Lessor that portion of the property described in exhibit "A" which is identified thereon as "Administration Building", and "North and South" City Owned Hangars.
2. This Lease shall be in effect for five (5) years commencing April 1, 2002 and terminating except as may be hereinafter provided on March 31, 2007. Lessee/Operator has the option to renew this lease for an additional five (5) years if he is not in default during the initial contract period and provided he gives Lessee at least one hundred and twenty (120) days advance written notice of his intent to exercised this renewal option. If this option is exercised, all of the terms and conditions of the original lease shall continue in full force and effect except for the amount of rental, which amount shall be renegotiated between Lessor and Lessee.
 - A. Payments to Lessee/Operator. During the term of this Agreement, Lessee/Operator shall receive and retain the following fees, payments, and charges:
 - (1) Tie-down fees. All tie-down fees with the rates to be established in writing by City. Lessee/Operator shall have the authority to move aircraft or order aircraft removed for non-payment of tie-down fees provided such is done in a legal manner and is non-injurious to aircraft.
 - (2) Fuel Sales. All fuel pricing shall be competitive with fuel pricing at public airports in Butte, Tehama and Shasta Counties. Discounts may be given for volume sales.
 - (3) Hangar Rents. All privately owned hangar lease payments shall be collected and retained by Lessee/Operator during the initial term of this lease and the Lessee/Operator shall collect and retain such fees.
3. Lessee/Operator shall pay to Lessor the sum of \$50 per month as a fee for rent. Electricity shall be paid for by Lessor only insofar as it relates to

the airfield landing lights, beacons, and power for furnishing the water. Lessor shall furnish heating oil for heating the administration building for the term of this lease. Lessee/Operator shall pay the cost of all electrical power used by him in his commercial venture, as well as any telephone service which he may desire to obtain. Lessee/Operator shall be entitled to receive and retain tie-down fees, and proceeds from City-owned hangar rents.

4. Lessee/Operator shall have the right to conduct or permit others to conduct within Lessee's leased buildings commercial enterprises, including, but not limited to, chartering of aircraft, student instruction, operation of agricultural spraying, dusting and seeding operations, maintenance and storage of aircraft, sale of aviation petroleum products, engine repairs, radio maintenance, ultralight activities, sport aviation activities, parachuting activities or any other similar activities. All commercial business activities conducted at the airport shall have liability insurance in the amount of \$1,000,000 naming the City of Corning as additional insured, shall have a City of Corning business license, and shall have workers' compensation insurance if applicable. Some activities may require FAA approval. Lessee/Operator will provide Lessor with all necessary documents that may be required to conduct the above-stated activities.
 - A. Non-Exclusive Right. It is not the intent of this Agreement to grant to Lessee/Operator the exclusive right to provide any or all of the services described in this Agreement. It is specifically understood and agreed that nothing herein contained shall be construed to grant or authorized the granting of an exclusive right to provide aeronautical services to the public, and City reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature as described herein.

5. Lessee/Operator agrees to abide by all applicable laws and regulations of the United States, the State of California, the County of Tehama, and the CITY OF CORNING, and to permit no illegal or improper use of said premises. Lessee/Operator agrees that any chemicals or other toxic substances used by him or others to whom he has granted permission to conduct activities will be so stored as not to be dangerous to the public and will be handled and disposed of in accordance with all applicable environmental standards, laws and regulations.
 - A. Operating Standards. In providing any of the required and/or authorized services or activities specified in this Agreement, Operator shall operate for the use and benefit of the public and

shall meet or exceed the following standards:

1. Lessee/Operator shall furnish services on a fair, reasonable and non-discriminating basis to all users of the airport. Lessee/Operator shall furnish good, prompt and efficient services adequate to meet all reasonable demands for its services at the airport. Lessee/Operator shall charge fair, reasonable and non-discriminatory prices for each unit of sale or service; provided, however, that Lessee/Operator may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.
2. Lessee/Operator shall provide at his sole expense a sufficient number of employees to provide effectively and efficiently the services required or authorized in this Agreement.
3. Lessee/Operator shall meet all expenses and payments in connection with the use of the Premises and the rights and privileges herein granted, including taxes, permit fees, license fees, and assessments lawfully levied or assessed upon the Premises or property at any time situated therein and thereon. Operator may, however, at its sole expense and cost, contest any tax, fee or assessment as long as the contest does not jeopardize the continued airport operation.
4. Lessee/Operator shall comply with all federal, state and local laws, rules and regulations which may apply to the conduct of the business contemplated, including rules and regulations promulgated by the City, and the Operator shall keep in effect and post in a prominent place all necessary and/or required licenses or permits.
5. Lessee/Operator shall provide the following services at no charge to Lessor or others as part of the consideration of this lease agreement:
 - a. Weed abatement on runways, taxiways, ramp areas and around the Lessor-owned hangar and administration building;
 - b. Cleaning and servicing of public restrooms located at the airport. [Lessor will supply restroom supplies at its

- expense.]
- c. Landscaping, maintenance and upkeep of existing lawn, mowing, raking leaves, fertilizing, watering and general care for the areas around the buildings. Maintenance of trees, trimming and clean-up both behind the main building and on the front lawn.
 - d. Maintenance of the tie-down facilities including all necessary replacement of tie-down ropes, providing an adequate supply of chocks, repainting of tie-down spaces, as required to meet demands.
 - e. Servicing and minor repairs to runways, taxiways and airport beacon lighting. [Lessor to pay cost of materials if consent first obtained from Lessor prior to purchases.]
 - f. Servicing of and repairs to facilities including but not limited to the heating and air conditioning systems, electrical portion of the buildings and minor structural repairs to buildings.
 - g. Maintenance and upkeep of required signage on runways, taxiways, and on the FBO building to Lessor and FAA requirements;
 - h. Maintenance and upkeep of parking lot and driveway around the administration building.
 - i. Sweeping of the ramp area to keep it clean from rocks and mud.
6. Lessee/Operator agrees that so far as facilities for tie-downs shall be available, he shall provide such when requested at rates to be fixed by Lessor.
7. Lessee/Operator shall have the duty of maintaining or repairing the structures upon the leased premises in as good a condition as they are at the inception of this lease, normal wear and tear excepted, so far as the foundations, exteriors and roofs are concerned. Any interior alterations to the premises shall be made by Lessee/Operator at the expense of Lessee/Operator and only upon receiving prior approval by Lessor. The water well supplying water to the premises shall be kept operational at the expense of the

Lessor.

8. The failure of Lessee/Operator to pay any utility bills incurred by him, taxes on the personal property, licenses fees which may be due, or any other obligations incurred in connection with the operation of his activities at said airport shall be grounds for immediate cancellation of this lease. In the event that any work shall be done upon said airport by Lessee/Operator, he agrees to give the CITY OF CORNING notice of such work at least twenty (20) days before commencement thereof in order that a Notice of Non-Responsibility may be posted. No alterations or improvements shall be made to the leased premises without the prior written approval of Lessor.
9. Lessee/Operator agrees to permit Lessor to make any capital improvements to the leased premises deemed advisable by Lessor. This paragraph shall relate to improvement of the premises and replacement or repair of airport facilities. All improvements to the property shall become fixtures on the property. This provision does not require Lessor to make any such improvements.
10. No insurance will be provided by Lessor upon the personal effects of Lessee/Operator. Lessee/Operator shall have and pay for a liability insurance policy satisfactory to Lessor pertaining to the premises which shall insure not only Lessee/Operator but shall also name Lessor as an additional insured. Lessee/Operator shall furnish Lessor with a copy of such policy. Minimum insurance coverage shall be in the amount of \$1,000,000. Lessee/Operator shall also name Lessor as a co-insured on a fire or damage policy on the facilities in a form and amount acceptable to Lessor with a company approved by Lessor.
11. In the event that the structures upon the leased premises shall be destroyed from any cause, either totally or partially, so that the structures are not usable, this lease may be canceled by Lessee/Operator. Lessee/Operator shall be obligated to apply any insurance proceeds on the damaged or destroyed buildings to the repair or reconstruction thereof.
12. In the event that Lessee/Operator shall be adjudged a bankrupt, or shall make any assignment for the benefit of creditors, or go into receivership, this lease shall be forthwith and immediately declared terminated.

13. In the event of an assignment or subletting in whole or in part of the leased premises, such assignment or subletting shall be by an instrument in writing and shall be subject to prior approval by the CITY OF CORNING. No such approval is required for providing tie-down space for aircraft or for storage of aircraft, or for any aircraft maintenance repair business. Lessee/Operator is to reimburse Lessor all expenses incurred in order to determine approval.
14. **Personal Property Taxes.** Lessor has disclosed to Lessee/Operator in accordance with California Revenue and Taxation Code Section 107.6 that this lease may result in the creation of a possessory interest subject to property taxation on the interest subject to property taxation on the interest of Lessee/Operator. Lessee/Operator shall pay all such taxes, assessments or other charges levied by City or Tehama County of the due date thereof.
15. **Operator as Independent Contractor.** In conducting its business hereunder, Lessee/Operator acts as an independent contractor and not as an agent of the city. The selection, retention, assignment, direction and payment of Lessee/Operator's employees shall be the sole responsibility of Lessee/Operator and Lessor shall not attempt to exercise any control over the daily performance of duties by Lessee/Operator's employees.
16. **Lessor's Right of Entry.** Operator shall permit Lessor and the agents and employees of Lessor to enter into and upon the property at all reasonable times for the purpose of inspecting the same, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to Operator for any loss of occupation or quiet enjoyment of the premises thereby occasioned.
17. **Removal of Property.** All buildings and improvements and fixtures placed upon the Premises by Lessee/Operator shall be and remain the property of Lessee/Operator so long as this Agreement shall remain in effect. Upon termination of this Agreement, unless modified by prior provisions of this Agreement, by expiration of time, by agreement, or for default of Lessee/Operator, all improvements and fixtures on the premises and all building equipment, alterations, changes and additions to and upon the Premises shall be left in place, and shall become the property of Lessor. To make these provisions self-executing, Lessee/Operator covenants and agrees that, upon termination of this Agreement, title to all improvements and fixtures, including all building

equipment, alterations, changes and additions to and upon the Premises shall pass to Lessor forthwith and without the necessity of any further conveyance or assignment. Lessee/Operator agrees to execute any conveyance or assignment, if necessary, to complete such transfer if requested by Lessor to do so.

18. This lease may be immediately canceled by the Lessor upon the occurrence of any of the following:
- A. Failure to provide what Lessor considers to be adequate service to owners and operators of itinerant aircraft during daylight hours. [Such service shall consist of the availability of aviation gasoline and normal aviation fuel supplies for the aircraft with a qualified person present to deliver the same. Aviation gasoline shall be dispensed in a method approved by FAA and County of Tehama department of weights and measures. The same service shall also be available to aircraft based at the airport.]
 - B. Any consistent, habitual, or lengthy absence from the airport by the Lessee/Operator which interferes with the efficient provision of service to aircraft owners and operators, or any willful failure to service aircraft either itinerant or stationed at the airport, unless such failure to service the aircraft is for good cause, such as the inability or failure of the aircraft operator or owner to pay for the services to be rendered or expected to be rendered.
 - C. Any action, conduct, or acts on the part of Lessee/Operator which are detrimental to the best interests of Lessor and/or persons entitled to use the Corning Municipal Airport.

[Note: It is understood that the Lessee is engaged in a flight training program and that he will, from time to time, be taking students on flights away from the airport and will not be in constant attendance. Should he be gone from the airport for extensive periods of time, such as for more than 24 hours at one time, he shall make arrangements to have another qualified person or persons provide reasonable service to itinerant and locally based aircraft in his absence.]

19. Waiver. The waiver by Lessor of, or the failure of Lessor to take action with respect to, any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of

such term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee/Operator of any term, covenant or condition of this Agreement, other than the failure of Lessee/Operator to pay the rental agreed upon herein, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent.

20. In the event of any default on the part of the Lessee/Operator as a result of which default, a suit is brought against the Lessor the Lessee/Operator agrees to pay such reasonable attorneys fees as may be ordered paid by the Court.
21. Effect of Lessee/Operator's Holding Over. Any holding over after the expiration of the term of this Agreement with consent of Lessor shall be construed to be a tenancy from month to month at the same monthly rent as required to be paid by Lessee/Operators for the period immediately prior to the expiration of the term hereof, and shall otherwise be on the terms and conditions herein specified, so far as applicable.
22. Remedies Cumulative. All remedies herein before conferred on Lessor shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law.
23. Parties Bound. The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer and subletting, apply to and bind the heirs, legal representative successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
24. Time of the Essence. Time is of the essence of this Agreement, and of each and every covenant, term, condition and provision hereof.
25. Miscellaneous Provisions.
 - A. Entire Agreement. This Agreement constitutes the entire understanding between the parties, and as of its effective date superseded all prior or independent agreements between the parties covering the subject matter hereof. Any change or modification hereof must be in writing, signed by both parties.

B. Severability. If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void; but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of parties.

C. Notice. Any notice given one party to the other in connection with this Agreement shall be in writing and shall be sent by registered mail, return receipt requested, with postage and registration fees prepared as follows:

1. If to Operator, addressed to: Brian J. Carpenter, c/o Rainbow Aviation Services, N. 930 Marguerite Avenue, Corning, California, 96021.
2. If to City, addressed to: City of Corning, 794 Third Street, Corning, California, 96021.

Notices shall be deemed to have been received on the date of receipt as shown on the return receipt.

D. Governing Law. This agreement is to be construed in accordance with the laws of the State of California.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY OF CORNING, LESSOR:

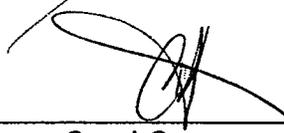
RAINBOW AVIATION SERVICES,
LESSEE:

By: 

Mayor, City of Corning

By: 

Brian J. Carpenter

By: 

Carol Ceccone-Carpenter

Attest:

Darlene Dickison
City Clerk

APPROVED AS TO FORM:

Michael C. Hest
City Attorney



City of Corning

794 Third St. Corning, CA 96021 (530) 824-7020 Fax (530) 824-2489

December 20, 2006

Mr. Ed Pittman
PO Box 499
Corning, CA 96021

Re: Proposed Airport Ground Lease for Hangars

Dear Ed;

I received my copy of the FAA final determination on your hangar location and I have drafted a Lease Agreement for the square footage to be occupied by the two hangars. The draft is enclosed for your review.

Because I have made some changes in the amount of the Lease, I will need to share this with the Airport Commission in January and with the City Council.

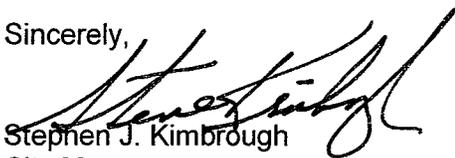
Here's what I've done; the old per square foot annual fee as approved by the City Council and Airport Commission was \$.15 per sq ft.; this was based upon a 1994 value of Airport Industrial Land set at \$65,000 per-acre. In 2007, \$90,000 per-acre is a more appropriate value and this adds \$.06 per sq ft to the annual rental rate. The proposed Lease provides for the \$.15 per sq ft., totaling \$403 per year for the two (2) pads, to go to the Airport Fixed Based Operator in accordance to the FBO agreement. The additional \$.06 however, will be in the form of a "Airport Surcharge" totaling \$162 annually; the surcharge will go directly to the City for deposit in the Airport Operating Fund, which will restrict its use solely to maintenance and improvements at the Airport. This means that your total annual cost for the Ground Lease of two (2) hangar pads will be \$565 per year.

For your information, previous Leases charged \$240 per year per hangar pad (\$480 for 2 pads).

In order to get this long delayed Lease Agreement moved forward, I am sending you a draft copy at the same time I am sending it to the City Attorney for his review, and prior to sending it to the Airport Commission and City Council. Please let me know if the terms are acceptable. Unless the City Attorney has updates to the Lease language, which he prepared 15 years ago, there are no other changes made in this Lease document from the ones that you have approved previously.

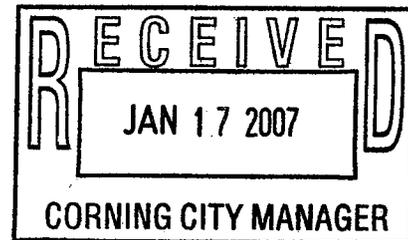
I look forward to hearing from you.

Sincerely,


Stephen J. Kimbrough
City Manager

Cc: City Council
Airport Commission
Public Works Director
City Clerk

P  **Air**
Ultralight & Light Sport Aircraft
Ed Pitman P.O.Box 499 Corning, CA 96021
cell & voice mail 530-945-1860
ed@pitmanair.com



Mr. Steve Kimbrough
City Manager
City of Corning
794 Third Street
Corning, CA 96021

January 15, 2007

Dear Mr. Kimbrough,

I cannot accept the fact that a single city official can take away my investment in 30 day or 45 as you said in your letter. It is not the "late payment" that bothers me, it is the "any violation". I have property and family in Oregon and Thailand, which can have me away from here for months at a time. A heart attack alone can have a person incapacitated for 30 days or more. Imagine if you will, that your retirement fund was subject to one persons decision to take it away with 15 days notice. It doesn't allow for a good nights sleep, for worry about what could happen in the future as administrations change. It is likely that the next administration could take a notion to take over everything they can in order to balance the budget or whatever.

At the very least, the Airport Commission and City Council should approve the termination, and allow the Tenant the opportunity to speak in their own behalf before such drastic measures could take place. There is no reason that anything should be as swift as 15 days especially when you consider that the City has delayed my progress on these hangers for 6 years. And in that time the metal building package (materials only) has gone from \$16,800.00 per hanger to \$37,000.00 and that doesn't account for the increased costs of concrete, other materials and labor.

I addition the lease rate has gone up "based on rates of surrounding airports" when the surrounding airports have better services. i.e. the ability to fuel any time, like the card lock systems at Orland and Willows, or 24 hour pumps at Red Bluff. The other airports have VASI or PAPI landing lights also, not to mention many other things not taken into the entire equation. It should also be considered that Property tax is paid on the hangers in addition to lease and tariff for airport improvement. The new hangers will increase the tax base with little or no impact of services provided by the city.

I would like the opportunity to express my concerns to the Airport Commission at their March meeting. March is earliest I can do it because I have firm tickets to Thailand, thinking this could be done prior to my Jan. 16 departure, and won't return until Feb 21.

Sincerely,

Ed Pitman

cc Jerry Rindahl

**AIRPORT GROUND LEASE
FOR PRIVATELY-OWNED HANGARS**

This AGREEMENT, made this first day of February, 2007, by and between the CITY OF CORNING hereinafter referred to as "CITY", and Ed Pitman, hereinafter referred to as "TENANT", do hereby enter into this agreement upon the following terms and conditions:

1. TENANT does hereby lease from CITY that certain real property which is a portion of the CORNING Municipal Airport. The property is described more specifically in Exhibit "A" attached hereto and made a part hereof. The purpose to which the real property, which is hereby leased, will be put, is to house aircraft. The tenant may place multiple Tee Hangars within the rented space, a single portable Tee Hangar on the space, or other structures there exclusively for the storage of aircraft.

2. The rental which shall be paid by the TENANT to the CITY for the hangar area is,

\$240.00 Annual Rental Amount plus an Annual Airport Surcharge of \$96.00
due and payable on or before February 1 of each year

This fee is based upon a standard single hanger measuring 42 feet by 38 feet (1,596 square feet) based on \$0.15 per square foot for the annual rental plus an additional \$0.06 per square foot annual Airport Surcharge. The Airport Surcharge of \$0.06 per square foot reflects the increased valuation of Airport land in the market place. The base rental amount will be paid to the fixed- base operator and the Airport Surcharge shall be paid to CITY for two (2) years from the date set forth above. After that two (2) year period, both the base rental amount and the Airport Surcharge shall be paid to CITY. The surcharge paid to CITY will be deposited in the Airport Fund and used for maintenance and improvements at the Airport. Notice shall be given not less than thirty (30) days in advance of the effective date of the rental charge. **Notice shall be given to the TENANT at Ed Pitman P. O. Box 499 Corning, CA 96021.** In the event the TENANT assigns or transfers this lease, the successor to the TENANT shall notify the CITY where notice shall be given, failing which, notice may be given at the address set forth above.

3. The **term** of this lease shall be for twenty-five (25) years. The TENANT shall have the right to terminate the lease by giving to CITY not less than ninety (90)

days notice of TENANT's intention to terminate. Rental shall be due until such time as the Hangar is physically removed from the leased area or until the TENANT has advised the CITY that the TENANT is abandoning the Hangar and does not intend to remove it. If the TENANT terminates before the end of the lease term, he shall not be entitled to reimbursement of any portion of the annual rental amount or Airport Surcharge previously paid to CITY. The Corning Airport Commission shall at their option, open the leases for review the first of each annual year. Any price increase would be based on like size surrounding airports for price comparisons.

4. The real property on which the hanger or hangers will be located is native earth. The TENANT has the right to do site preparation and install an improved surface on which the hanger or hangers and aircraft will be placed. If the TENANT elects to so improve the site, the Director of Public Works must first approve the Site Preparation Plan. No work shall be done by way of site preparation until the Director of Public Works has approved the plan and no grading shall be done which will create any type of drainage problem for any other tenant at the Corning Airport.

5. Any building which is erected and used as a hangar shall comply with the Uniform Building Code and all other applicable regulations of the CITY OF CORNING and the person erecting the hangar shall apply for and obtain a building permit from the City of Corning prior to the installation of the hangar. No improvement shall be erected, replaced, altered or maintained on the premises unless the City first agrees in writing and all plans and specifications have been approved in writing by the City Building Official. In connection therewith, TENANT shall not allow or permit to be enforced against the premises or any part thereof any mechanics, materials, contractors or subcontractors liens arising from any claim growing out of any work of construction, repair, restoration, replacement or improvement of any other claim or demand no matter how the same may arise. TENANT agrees to indemnify and hold the CITY and its officers, agents and employees and said premises free and harmless from all liability for any and all such liens, claims or demands together with reasonable attorney fees and costs incurred by the CITY in connection with any such claim.

6. The hangar area(s) shall be maintained in a clean, sanitary, safe, and attractive condition free of any inflammable liquids or readily combustible materials.

7. If the TENANT desires electrical service to the site of the hangar(s), the TENANT shall provide the conduit, conductor and motor base and have the same installed at his own

expense and placed underground to the site of the hangar(s) and the TENANT shall pay the full cost of electricity provided to the premises throughout the lease term.

8. CITY shall not be liable for any loss, damage, or injury of any kind to any person or property arising from the use of leased premises or any part thereof or caused by any defect in any building, structure or other improvements thereon or any equipment or other facility therein or caused by or arising from any act or omission of TENANT or any of its agents, employees, licensees, or invitee's, or by or from any accidents on the premises or any fire or other casualty thereon or occasioned by the failure of TENANT to maintain the premises and all improvements in a safe condition, or arising from any cause except where caused by the sole negligence of CITY, its agents, or employees. Notwithstanding anything to the contrary contained herein and irrespective of any insurance carried by TENANT for the benefit of CITY, TENANT agrees to protect, indemnify, and hold CITY and its officers, agents and employees and the premises harmless from any and all damages and liabilities at any time or occasion arising out of any act, activity, or omission of TENANT or the occupancy or use of the premises by or under TENANT or any condition or state of the premises or any part thereof.

9. TENANT shall procure and maintain at all times during the term of this lease, at TENANT'S sole cost and expense, a policy or policies of comprehensive public liability insurance by the terms of which CITY and TENANT are both named as insureds and are indemnified against liability for damage to property or person, including death of any person entering onto or using the premises or any improvements or any part thereof with limits of coverage of not less than \$1,000,000 for injury or death of one or more persons and for damage or injury to property. CITY reserves, to its reasonably exercised judgment, the sole determination as to the type and adequacy of insurance required hereunder. Should CITY determine the amount of such insurance to be inadequate, the CITY may, upon reasonable notice, require an increase in the coverage commencing with the next insurance policy anniversary date. Executed copies of all insurance policies shall contain a provision that not less than thirty days written notice shall be given to landlord prior to the cancellation, reduction of coverage, expiration, or any material change in any policy. If TENANT fails or refuses to procure or maintain insurance as required or refuses to furnish required proof of insurance, the CITY shall have the right, without notice, to procure and maintain such insurance. The premium paid by the CITY shall be treated as added rent due from TENANT with interest at the legal rate thereon. Failure of TENANT to keep insurance acceptable to CITY in full force and effect shall

constitute grounds for CITY to immediately terminate this lease and cause TENANT to vacate the premises.

10. This Agreement is primarily for the storage of aircraft. The TENANT may, with the prior written consent of the Director of Public Works, store the TENANT'S own boat or recreational vehicle or other similar property, in the hangar(s) on a temporary or seasonal basis only.

11. The hangar(s) will remain the personal property of the TENANT and may be removed from the leased site at the end of the lease term. If not removed within thirty (30) days after the end of the lease term, or any written extensions thereof, or upon its earlier termination, the hangar(s) or other improvements automatically become the property of CITY. The City may then destroy the hangar(s) and improvements or modify them or lease them to others, or use them for CITY'S own purposes in the same manner as other property solely owned by the CITY.

12. This lease is assignable by the TENANT only with the prior written consent of CITY, which consent shall not be unreasonably withheld. A reasonable basis for withholding consent to the assignment will be the failure of the proposed assignee to have paid rental to CITY for other property leased from CITY or the failure of the proposed assignee to pay any just indebtedness to CITY. These examples are not intended to set forth the sole basis for denying the right to assignment.

13. In the event TENANT violates any of the conditions of this Agreement, or fails to pay rental, the CITY shall have the right to terminate this lease. The lease may be terminated by giving to the TENANT fifteen (15) days notice of default and unless the default is incurred within the 15 days following notice of the default, the lease shall be deemed terminated.

14. In the event any action is brought by CITY to recover any rent, due or unpaid, or to recover possession of the leased premises or in the event any action is brought by CITY against the TENANT in order to enforce this lease or for the breach of any terms, conditions, and covenants in this lease, CITY shall be entitled to recover reasonable attorney fees as fixed by the court together with costs of suit incurred. No waiver of any breach of any of the terms, conditions, covenants, agreements or restrictions of this lease shall be construed as a waiver of any succeeding breach of these same or other covenants, agreements, restrictions, and obligations herein contained. Any breach of any terms, obligations, covenants, or provisions of this lease may, at the option of CITY, be considered a breach of this Agreement. Any such breach of this Agreement shall be cause and grounds for termination of this lease. The lease

shall extend to and be binding on CITY and TENANT and on each of their successors and assigns.

15. The relationship of the parties herein is that of landlord and tenant and it is expressly understood and agreed that the CITY does not in any way nor for any purpose become a partner of TENANT or a joint venturer with TENANT in the conduct of TENANT'S business or otherwise. TENANT shall at his own cost and expense, promptly comply with all orders, regulations, laws and requirements of all governmental authorities arising from the use of occupancy of these premises.

No representations have been made by the CITY to TENANT to induce TENANT to lease said property. This disclaimer extends to and includes without limitations, climate, air, water rights, utilities, zoning, soil, subsoil, drainage, access to public roads, use of airport facilities, or airport runways, or as to the effect of any State or Federal regulations. If any **annual** installment of rent is ten (10) days late, the CITY shall receive an additional ten percent (10%) as a late charge. Any notices required to be given to CITY or payments made may be mailed first class prepaid to:

City Manager, City of Corning 794 Third Street Corning, CA 96021

Any notices required to be given to TENANT may be mailed first class prepaid to the address set forth below.

Ed Pitman, Post Office Box 499, Corning, CA 96021

LANDLORD (City of Corning

TENANT

By: _____

Stephen J. Kimbrough
City Manager

Ed Pittman

Address:

ITEM No: D-5
AIRPORT MASTER PLAN LAND
ACQUISITIONS AND FUTURE
IMPROVEMENTS
OCTOBER 2, 2006

TO: AIRPORT COMMISSION OF THE CITY OF CORNING

FROM: STEPHEN J KIMBROUGH, CITY MANAGER



City Manager Steve Kimbrough will be present at the meeting to introduce this information and answer questions. A copy of the Master Plan is being distributed to each of the Airport Commissioners for reference. If you all ready have a copy, Please return this copy, these are all we have for future use.

Commissioners, I thought I would try to do this in a bullet format to make it easy for you to quickly review.

- Corning Municipal Airport Master Plan/2020 completed February 2003
Commissioners received report April 4, 2003
- Final Environmental Assessment for the expansion of the Airport completed in July 2003.
- Master Plan and Environmental Assessment shipped to Caltrans and received approval.
- Master Plan and Environmental Assessment sent to County Airport Land Use Commission and received approval.
- Copy of both sent to FAA Burlingame Office, receipt acknowledged, but Environmental Assessment set aside for almost two (2) years, apparently, due to other projects.
- New FAA Administration takes over in the middle of our Master Plan and begins criticizing Environmental Assessment and questioning the commitment for full expansion with full cost of \$1,170,215. City Staff, of course, responds tersely, FAA works and finally approved Environmental Assessment in the last few months.
- Next phase awaiting approval is the design of Airport Expansion to include 600 ft extension of runway and 900 ft move of south threshold.
- FAA balks at cost of 600 ft extension but accepts 900 ft move for safety, City awaiting formal response from FAA.
- With response, the City will assess situation and probably make another visit to Burlingame with Mayor, Public Works Director and City Manager.
- Each time the Mayor has gone to Burlingame we have gotten a positive response.
- FAA looking at all of their new post 9/11 priorities are trying to cut back their commitments.
- Land Acquisition around the Airport is summarized on the attached sheet, which shows all three of the FAA grants received, Master Plan is now complete, Phase I is complete and closed out, Phase II is still open but there

is only \$200,000 left. Council has authorized City Manager to make offer on McConville/Anderson portion at north end of runway.

- Properties on west side planned for buffer zone will probably not be acquired due to cost.
- Following the design phase, which will take probably two-years, including FAA and Caltrans review of the design.
- Following design will be actual construction, FAA indicates it will only fund the 900 ft move of the runway north and the required taxiways, again the Mayor, City Manager and Public Works Director will make a trip down to cement this deal and seek additional improvements.
- Candidly, what has happened is Mr. Phiffer, the long-time manager of the Burlingame office has retired, new people have arrived and they don't recognize the old hand shake agreements with the City; to compound this 9/11 has diverted funds.