

CITY OF CHARLOTTE, COUNTY OF EATON, STATE OF MICHIGAN

RESOLUTION NO. 2021-054

**A RESOLUTION TO AUTHORIZE THE LEASE OF GROUND AT FITCH H. BEACH
MUNICIPAL AIRPORT**

WHEREAS, Grant Emfield recently purchased a private hangar at Fitch H. Beach Municipal Airport; and
WHEREAS, it is necessary to update the ground lease associated with this hangar to reflect new ownership;
and

WHEREAS, the terms of this ground lease have been negotiated and agreed to by both parties.

THEREFORE, BE IT RESOLVED that the ground lease between the City of Charlotte and Grant Emfield for occupancy of a private hangar at Fitch H. Beach Municipal Airport is hereby authorized for execution by the Charlotte City Council.

The foregoing resolution offered by Council member _____ and supported by _____.

Upon roll call vote, the following voted:

Aye:

Nay:

Absent:

I, the undersigned, the duly qualified and acting Clerk of the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City of Charlotte at a regularly scheduled meeting held on Monday, April 19, 2021, relevant to the Michigan Open Meetings Act, the original of which is on file in my office as part of council minutes.

IN WITNESS WHEREOF, I have hereunto set my official signature this 19th day of April 2021.

Pearl Tidwell, City Clerk / Treasurer
City of Charlotte



TO: City of Charlotte City Council
FROM: Bryan Myrkle, Community Development Director
SUBJECT: Updated airport agreements for renewal
DATE: APRIL 1, 2021

There are three contracts related to the airport included for review and approval included on your next City Council agenda. They include minor changes that I will detail in this memo, but they are largely the same as before.

The agreements have been reviewed by City Attorney Hitch as to form and content; and they have also been reviewed by the city's airport consultant Prein & Newhof for compliance with FAA regulations and adherence to best practices of airport management.

The agreements outline the relationship between the City of Charlotte and its Airport Manager Todd Cotter; as well as the Fixed Base Operation by Charlotte Air Services (Mr. Cotter's private business); and the hangar ground lease with Grant Emfield.

FBO Agreement – This agreement has been updated in paragraph 49 to state that Charlotte Air Services will receive a flat rate for hangar management that could be adjusted on a pro rata basis if any individual hangar remains vacant for more than 90 days.

Airport Manager Agreement – This agreement has been updated to include an option for a three-year renewal at the end of the term covered in this contract.

Private Hangar Ground Lease – This agreement has been updated at the recommendation of the Airport Advisory Board to allow certain commercial activities to take place in this privately-owned hangar that are typically excluded from our ground leases. In case you are not aware, the City leases small portions of ground at the airport where private parties can construct and own their own individual hangars. There are three of these hangars on the airfield.

The hangar covered by this lease agreement recently changed hands, and is now owned by Grant Emfield, the operator of Sterling Flight Service, the flight school at the airport. The lease changes include allowing him to store and maintain any aircraft associated with the flight school in the hangar, and allows him to engage in commercial activity related to the flight school.

AIRPORT LEASE

IT IS HEREBY AGREED, Between the City of Charlotte, Michigan, party of the first part and Grant Emfield, party of the second part, as follows:

That said party of the first part, in consideration of rents and covenants herein specified, does hereby Let and Lease to the party of the second part, the following described premises, situated and being in the City of Charlotte, Eaton, Michigan, and described as follows :

Commencing 405 ft.Wand 265 ft. N of the SE corner ofW ½ of the E ½ of SW 1/4, Section 8. Thence W 72 ft., thence N 160 ft. To the beginning of this description. Thence N 50 ft., E 72 ft., S 50 ft., W 72 ft. To the beginning with rights of ingress and egress. Section 8, T2N, R4W, City of Charlotte .

for the term of (5) five years from and after the day of April 1, 2021, on the terms and conditions hereinafter mentioned, to be occupied for the storage of aircraft personally owned or used by the second party, and the erection of a hangar or building for same and used for such commercial purposes as may be necessary for the operation of a flight school at the airport.

The party of the second part do covenant and promise to pay to the part of the first part, its representatives and assigns, for rent of said premises for said term, the sum of 16 cents per square foot per year when the premises is served on at least two sides by a city installed paved taxi-street, or the sum of 13 cents per square foot per year when the premises is served on one side by a city installed paved taxi-street, or the sum of 10 cents per square foot per year when not served on at least one side by a city installed paved taxi-street, during the term of this agreement until such time as it is changed. Said payment to be made payable in advance on the first of the signing of this contract and the annual anniversary of said signing. In the case where a paved taxi-street is installed by the City during the year for which rent has already been paid, the party of the second part shall pay additional rent equivalent to the difference between the lower and higher rental rate, prorated on a daily basis for the remainder of the rental year, from the date when the taxi-street(s) is put into service. The rental rates in this contract may be changed by the party of the first part, with increases not to exceed the rate of inflation as measured by the United States Government and published as the Consumer Price Index (CPI). The party of the first part shall provide notice of any rent increase to the party of the second part with said notice sent by First Class Mail sixty (60) days prior to the annual anniversary date.

II.

PROVIDED, in the event rent shall be delinquent, or if default shall be made in any of the covenants herein contained, it shall be lawful for the party of the first part, its certain attorney, representatives or assigns to re-renter into and repossess the premises, and require party of the second part, and/or any other occupant, to vacate the premises. The above action shall terminate the Lease. First party may proceed to recover all damages occasioned by this termination.

In the event of breach of this lease for non-payment of the rent, or in the event of the breach of any other covenant or condition herein contained, a lien for all damage shall forthwith attach to all hangars, building, structures or fixtures placed or erected on said premises by the party of the second part, and the party of the first part may prevent the removal thereof from said premises by the party of the second part. Party of the first part, its agents or representatives may take possession of said property and dispose of them in the same manner and subject to the same conditions as is provided for the seizure and disposal of goods and chattels subject to the Security Interest.

The second party further agree to abide by and comply with all ordinances, rules or regulations which are now, or which may hereafter be made applicable to the use and occupancy of said premises and the operation and control of Airport; second party also agree that an authorized representative of the City of Charlotte, may at any reasonable time enter upon said premises for the purpose of making any inspection deemed necessary in order to determine whether Federal, State, or Municipal rules and regulations governing the operation of aircraft and the use and occupancy of leasehold interests have been followed.

III.

Said party of the second part further covenant that they will not assign nor transfer this lease, or sub-let said premises, or any part thereof, without the written consent of said party of the first part.

IV.

Second party agrees to install and/or maintain on all buildings proper obstacle lights as may be required by the first party, or other appropriate authority.

No building shall be erected by the second party, nor other installations made, until the plans for such building, installation or advertising shall have first been approved by the party of the first part as being in accord with all pertinent local building, sanitary and health codes, airport regulations and airport zoning.

The party of the second part will, at their own expense, during the continuance of this Lease, keep said premises and every part thereof, clean, free from debris, in good repair, and the grounds mowed. At the expiration of the term, party of the second part will deliver said premises in the same condition as when taken, reasonable use and wear thereof and damage by the elements excepted.

The party of the second part, their guests or others using their aircraft storage structure or aircraft shall not park automobiles or other vehicles on airport property except in designated parking areas or inside of the aircraft storage structure. The party of the first part may have vehicles parked on airport property contrary to this provision towed away at the expense of the vehicle owner.

VI.

Second party shall, and will at all times hereinafter, indemnify and save harmless the party of the first part from or against all damages, losses, claims, demands, suits and expenses which the first party may suffer, sustain, or be subject to as a result of any act or omission to act on the part of the second party or their employees, agents, guests or representatives in connection with the use of the premises as aforesaid and shall carry liability insurance with a company approved by the Michigan Insurance Commission and party of the first part. The party of the second part must also file a copy of said liability insurance with the City Clerk's office. Second party further agree to pay all real estate and personal property taxes which may be levied on the premises on time and when due.

VII.

This lease shall be subordinate to the provisions of any existing or future agreement between the party of the first part and the United States, relative to the operation or maintenance of the Airport.

The party of the first part reserves the right to further develop or improve the landing area of the Airport without interference by said second parties; and reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction. This includes the right to prevent the party of the second part from erecting any structure on the Airport which, in the opinion of the party of the first part, would limit the usefulness of the Airport or constitute a hazard to aircraft, including the right to remove structures.

VII.

At the expiration of the Lease, first party covenants and agrees that in the event it does not desire to renew or extend the Lease, it will purchase any structure which second party may have erected on the premises for the taxable true-cash-value (TCV) then on the assessment roll of the City Assessor.

Second party agree that if the operator of said Airport is providing the services of a licensed aircraft mechanic for persons using the facilities of said Airport, then second party will not allow another mechanic to provide services on the leased premises, or any portion of the Airport except for work performed on aircraft owned, or personally used, by the party of the second part.

The party of the first part agrees to maintain the said airport as a public facility.

The covenants, conditions and agreements, made and entered into by the several party hereto, are declared binding on their respective heirs, representatives and assigns.

WITNESS our hands and seals, this day of , 2021

Grand Emfield

Michael Armitage, Mayor

Witness

Pearl Tidwell, City Clerk