



Public Services Committee Meeting

Meeting Date: August 8, 2023

Augusta Regional Airport

Department:	Augusta Regional Airport – Land Lease Agreement with Burrell Aviation Augusta LLC
Presenter:	Herbert Judon
Caption:	Motion to approve the Land Lease Agreement with Burrell Aviation Augusta LLC. Approved by the Augusta Aviation Commission on July 27, 2023.
Background:	Burrell Group recently contacted Airport staff with a request to lease approximately 669,000 square feet of land in the northwest quadrant of the airfield property for the purpose of constructing large aircraft hangars. The company will market the property to aviation/aerospace tenants and will develop the land in two phases.
Analysis:	<p>Phase 1 will include a large common-use hangar that will be marketed to the general aviation community. Phase 1 consists of approximately 282,000 square feet, which includes rights to the N-1 taxiway and ramp.</p> <p>The phase 1 property will be leased at thirty-five cents (\$0.35) per square foot for the unimproved land and fifty-three cents (\$0.53) per square foot for the improved paved surfaces. Phase 2 consists of approximately 387,000 square feet of unimproved land and will be leased at a cost of ten cents (\$0.10) per square foot. The reduced rate on Phase 2 basically acts as an Option to hold the land for future development. The agreement allows Burrell thirty-six months (36) to start construction on Phase 2. If construction has not commenced within thirty-six months, the property is either relinquished back to the Airport or the company will be required to start remitting the full ground lease rate of thirty-five cents (\$0.35) per square foot per year. If no development has commenced on Phase 2 for a period of forty-eight months, the Phase 2 parcel of land will revert back to the Airport.</p>
Financial Impact:	The ground lease will provide approximately \$163,000 revenue annually to the Airport. Once the first hangar has been constructed and tenants are acquired for the facility, the based aircraft will generate additional fuel sales.
Alternatives:	To deny.
Recommendation:	Recommend Approval. Approved by the Augusta Aviation Commission on July 27, 2023.
Funds are available in the following accounts:	N/A

REVIEWED AND
APPROVED BY:

N/A