



Public Comment Handout
10/24/23

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revised notes for 10.24 meeting

1 message

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To: Eric Taylor <spamcan57@gmail.com>

Tue, Oct 24, 2023 at 8:02 AM

I'd like to address the issue of airport lease rates.

I wrote a letter last week that's in today's meeting packet, I'd like to recap that letter & add a point or two.

First of all-- how to determine the new airport lease rate for 2024.

I see in the meeting packet that Eron Berg talks about rolling the rate back to a previous year, then adding CPI, and has recommended a rate of 7.3 cents per sq foot per month.

I think that's too high.

Based on my august lease rate spread sheet, that's still a 23% increase over the average of what we are paying. 23 per cent!!

Mike Payne showed me some of the lease paperwork for the Aero Museum lease, amendment #1 states that "the rate shall be adjusted every three years to the rate then prevailing for comparable airport property in the western Washington area."

Bingo!

As noted in my letter, Eron got a comp rate from Anacortes, & I got comps from Lopez island, Bellingham, Auburn & Port Angeles.

The average of the five airport rates was 6.3 cents--so my suggested rate of 6-1/2 cents is certainly in the right ballpark. So I think the Commission should use that figure.

Next-- how to implement the new rate.

Seems simple to me-- increase the lower rates, and decrease the higher rates.

Eric Toews said at the last meeting that lease language prohibits lowering the rate on an individual lease.

Maybe a few of the newer leases say that, but my lease and probably most of the others just say "the rate shall be adjusted."

Use of the word "adjusted" implies that the rate can go up or the rate can go down-- just like adjusting the volume on a radio.

BTW there is precedent for lowering an individual lease rate-- back in 2001, the Port lowered the L Hangar Condo's lease rate from \$523 a month to \$394.

That's a 24% reduction.

I believe the Port commissioners would like to establish a uniform airport lease rate, to be applied right across the board, and that's what the airport lease holders would like to see too.

But I don't see how you can ever achieve that parity without decreasing the higher rates-- or at the very least freezing them until the lower rates catch up with them.

I don't see the problem with that, as long as there will be a net increase in airport revenue.

Next-- at the last Port meeting, Eric Toews said that it would be so much easier if all the lease rates were due for adjustment in the same month.

My rate adjustment are due in december, but I would be glad to sign a lease amendment that changed that to january.

I think the other leaseholders would be willing to do the same thing--

as long as they don't get hit with a lease adjustment (AKA increase) more than once in a given 12 month period.

Lastly-- this airport lease rate issue is very important to the hangar owners, and we appreciate that the Port commissioners & staff are taking it seriously and giving it the attention it deserves. On behalf of the airport community, thank you.