



**AIRPORT COMMISSION AGENDA
REGULAR MEETING
City Council Chamber
421 Main Street
Chico, CA 95928
April 25, 2023
6:00 p.m.**

**COPIES OF THIS AGENDA
ARE AVAILABLE FOR
REVIEW IN THE:**

Airport Manager's Office
150 Airpark Blvd., Suite 110
Chico, CA 95973
(530) 896-7216

Agenda available online at:
www.chico.ca.us

AIRPORT COMMISSION

Martin Nichols, Chair
Linda MacMichael, Vice-Chair
Mike Antolock
Thomas Nolan-Gosling
Marc Breckenridge

PUBLIC PARTICIPATION:

PUBLIC PARTICIPATION: This meeting is being conducted in accordance with Executive Order N-29-20. The public may view the meeting on Comcast Channel 11.

Due to the COVID-19 pandemic, the public shall have an opportunity to address the Airport Commission by email, on any item described in the agenda before or during consideration of that item. (Government Code § 54954.3(a)). The Airport Commission is prohibited by law from considering any other business at this meeting.

Public comments will also be accepted by email with the subject line PUBLIC COMMENT ITEM _____, sent to airportpubliccomments@chicoca.gov before the meeting. The public is encouraged not to send more than one email per item and not to comment on numerous items in one email.

1. **REGULAR AIRPORT COMMISSION MEETING**

1.1 **CALL TO ORDER**

1.2 **PLEDGE OF ALLEGIANCE**

1.3 **ROLL CALL**

2. **CONSENT AGENDA**

All matters listed under the Consent Agenda are to be considered routine and enacted by one motion.

2.1 **APPROVAL OF AIRPORT COMMISSION REGULAR MEETING MINUTES**

Approve minutes of the Regular Airport Commission meeting held on January 31, 2023 (Attachment 1).

3. **ITEMS REMOVED FROM CONSENT AGENDA** (if any)

4. **NOTICE OF PUBLIC HEARINGS** – None.

5. **CLOSED SESSION** – None.

6. **REGULAR AGENDA**

6.1 **CONSIDERATION OF REQUEST TO RENEW LEASE AT THE CHICO AIR MUSEUM**

The Commission will consider a request to renew the Lease of Improved Real Property at 165 Ryan Avenue (Attachment 2). In accordance with AP&P 90-16, the lease renewal needs to be reviewed and approved by the Commission prior to the execution.

Recommendation: The Airport Manager recommends approval of Minute Order 01-23 authorizing the City Manager to execute this Lease of Improved Real Property at the Chico Regional Airport (City of Chico/Chico Air Museum) located at 165 Ryan Avenue.

6.1.1 **Minute Order 01-23** authorizing the City Manager to execute a Lease of Real Property at the Chico Regional Airport (City of Chico/Chico Air Museum) located at 165 Ryan Avenue (Attachment 3).

6.2 **AIR SERVICE DEVELOPMENT**

The Airport Manager will provide an update on air service development progression.

7. **BUSINESS FROM THE FLOOR**

Members of the public may address the Commission at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Commission cannot take any action at this meeting on requests made under this section of the agenda.

8. **REPORTS AND COMMUNICATION**

The following reports and communication items are provided for the Commission's information. No action can be taken on the items unless the Commission agrees to include it on a subsequent agenda.

8.1 **PUBLIC WORKS DIRECTOR REPORTS**

- Airport Commissioner Recruitment Update
- Measure H and Airpark Blvd Schedule
- Cohasset Road Project Update

8.2 **AIRPORT MANAGER REPORTS**

- FAA Inspection Update
- Lease Update – Hangar C-3
- Upcoming Airport Projects
- New Helicopter/Mechanic Flight School
- Airport Entrance Sign

8.3 **AIRPORT COMMISSIONER REPORTS**

Commissioners will report on airport related items that have been addressed by their assigned committee, commission, or association since the January 31, 2023 Airport Commission meeting (if any).

- A. Finance Committee – Nichols
- B. Internal Affairs Committee – Nolan-Gosling
- C. Butte County Airport Land Use Commission (ALUC) – Tom Bahr
- D. Air Service Development Committee – MacMichael, Antolock

9. **ADJOURNMENT**

Adjourn to a Regular Airport Commission meeting on July 25, 2023 at 6:00 p.m. in the City Council Chambers located at 421 Main Street, Chico, CA.



Please contact the Airport Manager's Office at (530) 896-7216 if you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation to participate in a meeting. This request should be received at least three working days prior to the meeting to accommodate your request.

POSTED: 4/21/2023



ATTACHMENT 1



**AIRPORT COMMISSION MINUTES
REGULAR MEETING
City Council Chamber
421 Main Street
Chico, CA 95928
January 31, 2023
6:00 p.m.**

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AIRPORT COMMISSION

Martin Nichols, Chair
Linda MacMichael, Vice-Chair
Mike Antolock
Thomas Nolan-Gosling
Marc Breckenridge

1. **REGULAR AIRPORT COMMISSION MEETING**

1.1 **CALL TO ORDER**

Called to order by Chair Nichols at 6:00 p.m.

1.2 **PLEDGE OF ALLEGIANCE**

1.2 **ROLL CALL**

Present: Antolock, Breckenridge, Nolan-Gosling, MacMichael, Nichols.

Absent: None.

2. **CONSENT AGENDA**

All matters listed under the Consent Agenda are to be considered routine and enacted by one motion.

2.1 **APPROVAL OF AIRPORT COMMISSION REGULAR MEETING MINUTES**

Approve minutes of the Regular Airport Commission meeting on October 25, 2022 (Attachment 1).

Chair Nichols requested the Minutes be revised to reflect Chair MacMichael as "excused" not "absent" from the October 25, 2022 meeting.

A motion was then made by Chair Nichols to approve the October 25, 2022 minutes. The motion was seconded by Commissioner Nolan-Gosling.

Motion carried and passed 5-0 as follows:

AYES: Antolock, Breckenridge, Nolan-Gosling, MacMichael, Nichols.

NOES: None.

ATTACHMENT 1

3. **ITEMS REMOVED FROM CONSENT AGENDA** None.

4. **NOTICE OF PUBLIC HEARINGS** – None.

5. **CLOSED SESSION** – None.

6. **REGULAR AGENDA**

6.1 **PROCLAMATION OF APPRECIATION**

Mayor Coolidge read a proclamation acknowledging Commissioner Nolan-Gosling's service to the Commission.

6.2 **AIR SERVICE DEVELOPMENT**

The Airport Manager provided an update on the air service development progression.

7. **BUSINESS FROM THE FLOOR**

Members of the public may address the Commission at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Commission cannot take any action at this meeting on requests made under this section of the agenda.

Norman Rosene addressed the Commission.

8. **REPORTS AND COMMUNICATION**

The following reports and communication items were provided for the Commission's information. No action can be taken on the items unless the Commission agrees to include it on a subsequent agenda.

8.1 **PUBLIC WORKS DIRECTOR REPORTS**

- Airport Commissioner Recruitment Update
- Cohasset Road Project

8.2 **AIRPORT MANAGER REPORTS**

- Lease Update – Hangar A-18
- Name Change – Chico Regional Airport

8.3 **AIRPORT COMMISSIONER REPORTS**

Commissioners reported on airport related items that had been addressed by their assigned committee, commission, or association since the October 25, 2022 Airport Commission meeting (if any).

- A. Finance Committee – Nichols
- B. Internal Affairs Committee – Nolan-Gosling
- C. Butte County Airport Land Use Commission (ALUC) – Tom Bahr
- D. Air Service Development Committee – MacMichael, Antolock

ATTACHMENT 1

9. **ADJOURNMENT**

The meeting adjourned at 6:57 p.m. to a Regular Airport Commission meeting on April 25, 2023 at 6:00 p.m. in the City Council Chambers located at 421 Main Street, Chico, CA.



DRAFT

ATTACHMENT 2

**LEASE OF IMPROVED REAL PROPERTY
CHICO REGIONAL AIRPORT
(CITY OF CHICO/CHICO AIR MUSEUM)
165 RYAN AVENUE**

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ATTACHMENT 2

**LEASE OF IMPROVED REAL PROPERTY
CHICO REGIONAL AIRPORT
(CITY OF CHICO/CHICO AIR MUSEUM)
165 RYAN AVENUE**

THIS LEASE, executed in duplicate on _____, 2023, between the City of Chico, a municipal corporation of the State of California, acting by and through its duly appointed Airport Commission (“City”), and the Chico Air Museum, a nonprofit public benefit foundation (“Lessee”).

WITNESSETH:

BY THESE PRESENTS, City leases to Lessee and Lessee hires from City all of the real property at the Chico Regional Airport hereinafter described for the term and subject to the covenants and conditions hereinafter set forth.

1. DESCRIPTION OF LEASED PROPERTY

The property leased by City to Lessee and hired by Lessee from City shall consist of all of the real property at the Chico Regional Airport delineated on the plat entitled “Plat to Accompany Lease to: Chico Air Museum,” a copy of which is attached hereto marked Exhibit “A” and by this reference incorporated herein, subject to any of the easements on, over, across, or under the leased property hereinafter reserved by City in this lease. The leased property is improved with an approximately 15,513 square foot building with an additional 1,867 square feet on the second floor on a total area of approximately 2.5 acres. In addition, Lessee may temporarily use the gravel area at the north end of the ramp, adjacent to the leased property, subject to the conditions detailed in Exhibit “B.”

2. RESERVATION OF EASEMENTS

a. Reservation of Fire Lane and/or Public Utility Easements

The leased property shall be subject to the fire lane and public utility easements delineated on Exhibit “A” attached hereto. Such fire lane and public utility easements, together with the right to enter thereon for any purpose in connection with the construction or maintenance of improvements and facilities located thereon, are hereby reserved by City for the benefit of itself and for the benefit of all other persons or entities owning or leasing property at the Chico Regional Airport. In connection with the fire lane, Lessee agrees that it will not cause or permit any aircraft, vehicle, or other equipment to be parked within the boundaries of such fire lane or use the fire lane in a manner which would interfere with equipment and personnel traversing same in the course of fire suppression activities.

ATTACHMENT 2

b. Reservation of Avigation Easement

The leased property shall also be subject to an easement and right of way for the unobstructed passage of aircraft in the airspace above the leased property, which is reserved by City for the benefit of itself and all members of the general public operating aircraft which land at or take off from the Chico Regional Airport. Concomitant and coextensive with said easement and right of way, City and the general public shall have the further right to cause in all airspace above the surface of the leased property such noise, vibrations, fumes, dust, fuel particles, and other effects that may be caused by the operation of aircraft landing at or taking off from or otherwise operating at the Chico Regional Airport.

In connection with this easement and right of way, Lessee agrees not to cause or permit any structure, natural growth, or other object on the leased property which extends into the airspace over the leased property and not to use or permit the use of the leased property in such a manner as to create electrical interference with radio communications between aircraft and the Chico Regional Airport, to make it difficult for flyers to distinguish between airport lights and other lights, to impair visibility in the vicinity of the Chico Regional Airport, or to otherwise endanger aircraft landing at or taking off from the Chico Regional Airport. Lessee further agrees that in the event it causes or permits any structure, natural growth, or other object on the leased property which extends into the airspace over the leased property, or otherwise causes or permits any condition on the leased property which endangers aircraft landing at or taking off from the Chico Regional Airport, then City shall have the right to enter upon the leased property and to remove such structure, natural growth, object, or condition endangering aircraft landing at or taking off from the Chico Regional Airport, all at Lessee's sole cost and expense.

3. **LEASE TERM**

a. Initial Term

The initial term of this lease shall be for a period of five years, commencing on September 1, 2023, and terminating on August 31, 2028.

b. Extended Term Based on Performance

At the end of the initial term, the term of this lease may be extended for up to two additional five -year periods, provided Lessee gives to City notice of its intent to extend the term of this lease at least six months prior to the end of the initial or any such extended term.

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4. RENT

As basic rent for the leased property, Lessee agrees to pay to City the sum of \$24 per year, payable on or before the first day of the month of September of each year during the initial and extended term of this lease, commencing with September 1, 2023. Such rent shall be payable at the office of the City Finance Director, 411 Main Street, Chico, California 95928 (P.O. Box 3420, Chico, California 95927-3420).

The reduced rental rate is allowable under the Federal Aviation Administration (FAA) Policies and Procedures Concerning the Use of Airport Revenue, Section VII(E)(1), which allows an airport operator to charge reduced rental rates and fees to certain not-for-profit aviation organizations, including aviation museums, to the extent that the reduction is reasonably justified by the tangible or intangible benefits to the airport or to civil aviation.

5. AUTOMATIC TRANSFER OF RENT

In lieu of Lessee paying rent, additional rent, or other charges in the manner hereinbefore provided by this lease, City may, at its sole option, upon not less than 30 days' prior notice to Lessee, require Lessee to promptly execute and deliver to City any documents, instruments, authorizations, or certificates required by City to give effect to an automated debiting system, whereby any or all payments by Lessee (as designated from time to time by City) of whatsoever nature required or contemplated by this lease shall be debited monthly or from time to time, as determined by City, from Lessee's account in a bank or financial institution designated by Lessee and credited to City's bank account as City shall designate from time to time. Lessee shall promptly pay all service fees and other charges connected therewith, including, without limitation, any charges resulting from insufficient funds in Lessee's bank account or any charges imposed on the City. In the event that Lessee elects to designate a different bank or financial institution from which any rent, additional rent, or other charges under the lease are automatically debited, notification of such change and the required documents, instruments, authorizations, and certificates must be received by City no later than 30 days prior to the date such change is to become effective. Lessee agrees that it shall remain responsible to City for all payments of rent, additional rent, and other charges pursuant to the lease, even if Lessee's bank account is incorrectly debited in any given month. Such rent, additional rent, and other charges shall be immediately payable to City upon written demand. Lessee's failure to properly designate a bank or financial institution or to promptly provide appropriate information in accordance with this section shall constitute a default of the lease.

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6. LATE PAYMENT OF RENT

If any installment of rent accruing under the provisions of this lease is not received by City on the date such rent becomes due, such rent shall bear interest thereon from the date due until paid at the rate of 10% per annum. Lessee also acknowledges that the late payment of rent will cause City to incur accounting and other processing costs not contemplated by this lease, the exact amount of which is extremely difficult and impracticable to fix. Therefore, if any installment of rent due from Lessee is not received by City on the date such rent becomes due, Lessee shall also pay to City an additional sum of 10% of the overdue rent as a late charge. City and Lessee agree that this late charge represents a fair and reasonable estimate of costs that City will incur by reason of the late payment of rent by Lessee. Acceptance of any such late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent City from exercising any of the other rights and remedies available to it by reason of such default.

7. USE OF LEASED PROPERTY

Lessee shall use the leased property solely for the purpose of operating a public air and space museum with both indoor and outdoor display areas, a small gift shop, aviation related activities and events, and for any other purpose necessary or normally incident to the conduct of a public air and space museum, and as further detailed in Exhibit "B." Lessee agrees that its right to use the leased property to operate such a museum shall not be exclusive of the right of any other person, firm or organization to operate the same or similar type museum on other property located at the Chico Regional Airport.

8. COMPLIANCE WITH LAWS

In its use of the leased property, Lessee shall comply with all applicable statutes, ordinances, or regulations now or hereafter adopted by any federal, state, or county governmental entity, and with all ordinances, regulations, policies, and guidelines now or hereafter adopted by the City of Chico or any of its boards and commissions, including, but not limited to:

- a. The "Airport Rules and Regulations" adopted by the City Council of City;
- b. The "Standards for Conducting Aeronautical Activities at the Chico Regional Airport" adopted by City's Airport Commission; and
- c. The land use regulations applicable to the Chico Regional Airport adopted by the City Council of City.

ATTACHMENT 2

9. WASTE, NUISANCE, AND HAZARDOUS MATERIALS

In its use of the leased premises and any other facilities provided by City at the Chico Regional Airport, Lessee shall not commit nor allow to be committed any waste nor maintain or allow to be maintained any nuisance thereon.

As used in this lease, the term "Hazardous Materials" shall mean any substance or material which has been determined by the state, federal or local governmental agency to be capable of posing risk of injury to health, safety, and property, including petroleum, petroleum products or by-products, and including but not limited to all those materials and substances designated as hazardous or toxic presently or in the future by the U.S. Environmental Protection Agency; the California Water Quality Control Board; the U.S. Department of Labor; the California Department of Industrial Relations; the California Department of Health Services; the California Health and Welfare Agency in connection with the Safe Water and Toxic Enforcement Act of 1986; the U.S. Department of Transportation; the U.S. Department of Agriculture; the U.S. Consumer Product Safety Commission; the U.S. Department of Health, Education and Welfare; the U.S. Food and Drug Administration, or any other governmental agency now or hereafter authorized to regulate materials and substances defined as "Toxic Materials" in section 66680 through 66685 of Title 22 of the California Code of Regulations, Division 4, Chapter 30, as the same shall be amended from time to time.

No goods, merchandise, or material shall be kept, stored, or sold on the leased premises which are in any way explosive or hazardous. No offensive or dangerous trade, business, or occupation shall be carried on therein or thereon, and nothing shall be done on the leased premises other than as is provided for in Paragraph 7 of this lease which will increase the rate of or suspend the insurance upon the structures hereby assigned to Lessee or upon adjacent City buildings or structures, and no machinery or apparatus shall be used or operated on the leased premises which will in any way injure leased premises or adjacent buildings without prior approval of the Airport Manager. The Lessee shall provide the Airport Manager on the first working day in January of each year with a list of all hazardous materials used, contemplated to be used, generated or otherwise produced by Lessee, their employees, agents, contractors, etc. The Airport Manager shall be immediately informed of any changes in hazardous materials used. However, nothing shall preclude Lessee from bringing, keeping, or using machinery necessary or customary in carrying out the uses mentioned in Paragraph 7. If such uses include the keeping or storage of flammable or explosive substances, such substances shall be stored in closed containers, and shall be stored, used, or dispensed in the manner prescribed by the regulations of the City, the City's Fire Department, and/or other public body having authority in the matter, and in any event, in the safest possible manner. Appropriate Fire Department permits are required for storage of hazardous materials. From time to time, the Airport Manager and/or Fire Department personnel will inspect the premises for material safety.

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In conducting its operations on the Chico Regional Airport, Lessee shall abide and be bound by all of the following requirements:

- a. Lessee shall comply with all federal, state, and local laws, requirements, and policies now or hereinafter in effect relating to Hazardous Materials and environmental conditions on, under or about the Chico Regional Airport including, but not limited to soil, air, and groundwater conditions, and shall not contaminate the Chico Regional Airport or the subsurface with any Hazardous Material.
- b. Lessee shall restrict the use of Hazardous Materials on the leased premises to those kinds of materials that would be normally expected in conducting the activities permitted under this lease in a safe and prudent manner. Disposal of any Hazardous Materials on the leased premises is strictly prohibited.
- c. Lessee shall be solely and fully responsible for the reporting of accidental Hazardous Material releases to the appropriate public agencies including the Airport Manager, when such releases are caused by or result from Lessee's activities on the Chico Regional Airport. Lessee shall immediately notify City of any release of Hazardous Materials, whether or not the release is in quantities that would otherwise be reportable to a public agency, if such release did, or has the potential to contaminate soil or enter the City's sanitary or storm drain sewer system.
- d. Lessee shall be solely and full responsible and liable in the event Lessee causes or permits Hazardous Materials to be released at the Chico Regional Airport, or to enter the City's sewerage or storm drainage system, soil, air, groundwater, or any improvements. Lessee shall take all necessary precautions to prevent any Hazardous Materials from entering into the City's sewerage or storm drainage system, soil, air, groundwater or any improvements, or from otherwise being released on the Chico Regional Airport. If at any time a release of Hazardous Materials is discovered on the leased premises, the Chico Regional Airport, City's sewerage or storm drainage system, soil, air, groundwater or any improvements, which were caused or permitted in whole or in part by Lessee, Lessee's officers, agents, employees, contractors, permittees or invitees or there is the danger of such release of Hazardous Materials, Lessee, at Lessee's sole cost and expense, shall remove, or be caused to remove, such Hazardous Materials from the Chico Regional Airport or the groundwater underlying the Chico Regional Airport, or the City's soil, air, storm drainage, and sewerage system, in accordance with requirements of all appropriate governmental authorities.

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10. COMPLIANCE WITH STORM WATER POLLUTION PREVENTION PLAN

Lessee shall comply with all provisions and requirements of the Chico Regional Airport's Storm Water Pollution Prevention Plan (SWPPP), a copy of which will be provided by City to Lessee upon execution of this Lease. If during the initial or any extended term of this lease, Lessee's use of the Leased Premises results in a violation of the SWPPP for any reason or in any manner, through either Lessee's action or inaction, Lessee shall hold City, its boards and commissions and members thereof, its officers, employees, and agents harmless and free from any and all liability for violation of the SWPPP.

Should City or any of its boards and commissions or members thereof, its officers, employees, or agents be named in any suit, or should any claim be made against it or any of them by suit or otherwise, whether the same be groundless or not, arising out of or relating to Lessee's violation of the SWPPP for any reason or in any manner, through either Lessee's action or inaction, Lessee shall defend City, its boards and commissions and members thereof, its officers, employees, and agents, and shall indemnify them for any judgment rendered against them or any sums paid out in settlement or otherwise, including the payment of any and all attorney's fees.

11. COVENANT AGAINST DISCRIMINATION ON THE GROUNDS OF RACE, COLOR, CREED, NATIONAL ORIGIN, AND SEX

a. Covenant Against Discrimination Required Under Part 21, Title 49, of the Code of Federal Regulations

In its use of the leased property, Lessee agrees that it will not discriminate against any person on the grounds of race, color, or national origin in any manner prohibited by Part 21, Title 49, of the Code of Federal Regulations. Upon Lessee's failure to comply with the foregoing covenant against discrimination, Lessee shall be in default of this lease and City shall be entitled to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease. Provided that, in the event City determines that Lessee is in default of the foregoing covenant against discrimination and serves Lessee with notice of such default in the manner hereinafter provided by this lease, Lessee shall have the right to appeal such determination within the time and in the manner provided by Part 21, Title 49, of the Code of Federal Regulations, and Lessee shall not be deemed in default of this lease until the expiration or exhaustion of such right of appeal, notwithstanding anything in this lease to the contrary. In addition, City, the federal government, or both City and the federal government, shall have the right to judicially enforce the foregoing covenant against discrimination in any court of competent jurisdiction.

Lessee further agrees that the foregoing covenant against discrimination shall be included in and made a condition of any sale, transfer, or assignment of this lease,

ATTACHMENT 2

or any of Lessee's rights in and to the leased property, any sublease of the leased property, or any other agreement granting to any person the right to use any of the services or facilities provided by Lessee on the leased property.

- b. Covenant Against Discrimination Required Under Subpart E, Part 152, Title 14, of the Code of Federal Regulations

In its use of the leased property, Lessee agrees that it will not discriminate against any person on the grounds of race, creed, color, national origin, or sex in the manner prohibited by Subpart E, Part 152, Title 14, of the Code of Federal Regulations and, in connection therewith, shall undertake any affirmative action program required by such regulations. Lessee shall also require that its subgrantees or subaviation-related activities provide assurances to Lessee that they, similarly, will undertake any affirmative action programs required by such regulations and that they, in turn, will require such assurances from their subgrantees and subaviation-related activities. Upon Lessee's failure to comply with the foregoing covenant against discrimination, Lessee shall be in default of this lease and City shall be entitled to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease.

12. COVENANT AGAINST ECONOMIC DISCRIMINATION

In its use of the leased property, Lessee agrees to furnish its services and facilities to all users thereof on a fair, equal, and not unjustly discriminatory basis and for fair, reasonable, and not unjustly discriminatory prices; provided that Lessee may make reasonable nondiscriminatory discounts, rebates, or other similar price reductions to all volume users of such services or facilities. Upon Lessee's failure to comply with the foregoing covenant against discrimination, Lessee shall be in default of this lease and City shall be entitled to terminate this lease and any and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease. In addition, City, the federal government, or both City and the federal government, shall have the right to judicially enforce the foregoing covenant against discrimination in any court of competent jurisdiction.

Lessee also agrees that the foregoing covenant against discrimination shall be included in and made a condition of any sale, transfer, or assignment of this lease or any of Lessee's rights in and to the leased property, any sublease of the leased property, or any other agreement granting to any person the right to use any of the services or facilities provided by Lessee on the leased property.

13. RIGHTS OF FEDERAL GOVERNMENT

This lease and all of Lessee's rights in and to the leased property shall be subject to the following rights of the federal government:

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- a. Any rights of the federal government under an existing or any future agreement between City and the federal government relating to the development, operation, or maintenance of the Chico Regional Airport;
- b. Any right which the federal government now has or in the future may have or acquire affecting the control, operation, and taking over of the Chico Regional Airport; and
- c. Any right which the federal government now has or in the future may have or acquire to the exclusive or nonexclusive use of the Chico Regional Airport during a time of war or national emergency.

14. ACCEPTANCE OF LEASED PROPERTY

Lessee understands that the leased property was formerly leased by City to the federal government for use as an Army air base, that other surrounding lands which were also part of such Army air base have, in the past, been found to contain underground tanks and other underground facilities apparently abandoned by the federal government at the time the air base was released to City, and that by reason thereof the leased property, itself, might contain such underground tanks and other underground facilities. Moreover, Lessee understands that portions of the groundwater underlying the leased property may contain concentrations of volatile organic chemicals, including perchloroethylene (PCE) and trichloroethylene (TCE), which exceed water quality standards prescribed by the environmental agencies of the state and federal governments. Lessee acknowledges that City has granted to Lessee the right to review all maps of the old Army air base presently on file in the offices of City's Fire Department as well as the right to inspect the leased property and perform any tests of the soils thereon and/or the groundwater thereunder, all in order to afford Lessee a full and complete opportunity to investigate and determine whether the leased property can be used for the purposes for which it is being leased.

Lessee further understands and agrees that no representation, statement, or warranty, express or implied, has been made by or on behalf of City as to the condition of the leased property or the suitability of the property for its intended use, save and except for the representation and warranty that no City officer, employee, or agent has caused any condition of pollution or contamination which may now exist on the leased property. Such representation and warranty, however, shall not extend to any condition of pollution or contamination caused by the federal government or any other former lessee of City. Lessee also agrees to accept the leased property in its present condition and "as is" with respect to all conditions which now exist on or under the leased property, save and except for any condition of pollution or contamination caused by an officer, employee, or agent of City. Moreover, Lessee agrees to waive any claim or right of action against City which Lessee now has or hereafter may acquire arising out of the condition of the leased property, its soils and/or the groundwaters underlying the leased property, including but not limited to any claim of indemnity which Lessee may have by reason of costs incurred

ATTACHMENT 2

by Lessee arising out of the abatement or cleanup of any pollution or contamination condition discovered on the leased property hereinafter required under applicable state, federal, or City laws or regulations, save and except for a claim or right of action arising out of a condition of pollution or contamination caused by an officer, employee, or agent of City.

Notwithstanding the above, City and Lessee agree that a Phase I Environmental Site Assessment of the leased property was conducted by Hanover Environmental Services, Inc. and that the report, dated January 25, 2011, represents an accurate and complete summary of the condition of the leased property. City and Lessee further agree that any future required remediation of found toxic substances, pollution, or contamination on the leased property will not be the responsibility of Lessee unless that contamination occurred during, and as a result of, Lessee's tenancy. Additionally, given the reasonable assurance of the previously-mentioned Phase I Environmental Site Assessment, Lessee has the right to terminate this lease without penalty or prejudice should previously unknown contamination or pollution be found that would prevent the normal operation of the Chico Air Museum.

15. CERTIFIED ACCESS SPECIALIST INSPECTION

Pursuant to Civil code section 1938, the leased property has been inspected by a Certified Access Specialist (CASp) and has not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code section 55.53.

16. IMPROVEMENTS TO LEASED PROPERTY

During the initial or any extended term of this lease, Lessee shall not make any additions or alterations to the improvements on the leased property without the prior consent of City's Airport Manager. Moreover, upon receiving consent to make an addition or alteration to the improvements on the leased property, Lessee shall not commence work on the construction or installation of such added or altered improvements until plans and specifications for same have been submitted to and approved by both City's Airport Manager and Director of Public Works.

Upon termination of this lease, all additions or alterations to the improvements on the leased property made by Lessee shall become the property of City without the payment of any compensation therefor; provided, however, that upon termination of this lease, City shall have the option to require Lessee to remove any or all added improvements and/or restore any altered improvement to the same condition as it was in at the commencement of the term of this lease, all at Lessee's sole cost and expense.

ATTACHMENT 2

17. MAINTENANCE OF LEASED PROPERTY

Lessee agrees to accept the leased property in its present condition and “as is” with respect to all conditions which now exist on or under the leased property. During the initial or any extended term of this lease, Lessee shall, at its sole cost and expense, maintain the leased property and all improvements thereon and facilities appurtenant thereto in good, sanitary, and neat order, condition, and repair, and the City shall have no responsibility whatsoever to maintain the leased property or make any repairs thereto.

Lessee, by these presents, specifically waives the provisions of Sections 1941 and 1942 of the California Civil Code with respect to the landlord’s obligations for the tenant ability of leased property and tenant’s right to make repairs and deduct the expense of such repairs from rent.

18. RESTORATION AND REPAIRS IN THE EVENT OF DAMAGE OR DESTRUCTION BY FIRE OR OTHER CASUALTY

If any of the improvements on the leased property are damaged or destroyed by any cause not the fault of Lessee, City may, at City’s sole cost and expense, promptly repair it, and the rent payable under this Lease shall not be prorated for the time Lessee is prevented from occupying all or a portion of the leased property. Notwithstanding the foregoing, if the leased property is damaged or destroyed and repair of the damage or destruction cannot be completed within ninety (90) days or City decides not to repair the damage, City or Lessee may terminate this Lease by giving the other party ten (10) days’ written notice of termination after the event causing the destruction or damage.

19. UTILITIES

During the initial or any extended term of this lease, Lessee shall have the right to connect the leased property and all improvements thereon and facilities appurtenant thereto to the sewer system owned, operated, and maintained by City at the Chico Regional Airport; provided that Lessee shall maintain all sewer laterals or other sewer facilities on the leased property at its sole cost and expense and shall pay to City a monthly sewer service fee in accordance with the sewer service rates now or hereafter established by City, which sewer service fees shall be in addition to the rent to be paid by Lessee for the leased property as hereinbefore provided by this lease. All other utilities shall be provided to the leased property by Lessee at its sole cost and expense and City shall have no responsibility of any kind for any thereof.

ATTACHMENT 2

20. TAXES AND ASSESSMENTS

During the initial or any extended term of this lease, Lessee shall pay all taxes and assessments levied on the leased property, it being understood by Lessee that although the leased property is held in public ownership, Lessee's interest therein will be taxable as a possessory interest.

21. LIENS

During the initial or any extended term of this lease, Lessee shall keep the leased property and every part thereof free and clear of all mechanics' liens, materialmen's liens, and other liens for any work or labor done, services performed, or materials and appliances used or furnished for or in connection with any operation of Lessee, any repair, alteration, or addition which Lessee may make or permit or cause to be made, or any work or construction by, for, or permitted by Lessee on or about the leased property. Lessee shall at all times promptly and fully pay and discharge any and all claims on which any such liens may or could be based, and shall indemnify City against all such liens, claims of liens, and suits or other procedures pertaining thereto. Lessee agrees to serve City with a notice of any repair, alteration, or addition to the leased property, including any of the improvements now or hereafter located on the leased property, estimated to cost in excess of \$5,000, at least five days in advance of the commencement of work upon such repair, alteration, or addition in order that City may post appropriate notices of nonresponsibility.

22. INDEMNIFICATION

During the initial or any extended term of this lease, Lessee shall hold City, its boards and commissions and members thereof, its officers, employees, and agents harmless and free from any and all liability arising out of or relating to this lease and/or Lessee's possession and use of the leased property. Should City or any of its boards and commissions or members thereof, its officers, employees, or agents be named in any suit, or should any claim be made against it or any of them by suit or otherwise, whether the same be groundless or not, arising out of or relating to this lease and/or Lessee's possession and use of the leased property, Lessee shall defend City, its boards and commissions and members thereof, its officers, employees, and agents, and shall indemnify them for any judgment rendered against them or any sums paid out in settlement or otherwise.

ATTACHMENT 2

23. GENERAL LIABILITY INSURANCE

During the initial or any extended term of this lease, Lessee shall, at its sole cost and expense, maintain in full force and effect comprehensive general liability insurance which insures Lessee against any and all liabilities arising out of this lease and/or Lessee's possession and use of the leased property. Such insurance shall be obtained from one or more insurance companies licensed to do business in the State of California and having a financial rating in Best's Insurance Guide of at least "B" or, in the alternative, one or more unlicensed U.S. domiciled insurance companies having a rating of at least "A"; shall be in an amount of at least \$1,000,000 combined single limit; and shall name City, City's boards and commissions and members thereof, and City's officers, employees, and agents as additional insureds under the coverage afforded. In addition, such insurance shall be primary and noncontributing with respect to any other insurance available to City, shall include a severability of interests (cross-liability) clause, shall afford to City at least 30 days' unqualified prior notice of cancellation or material change in coverage, and shall otherwise be in the form or forms approved by the City's Risk Manager.

Upon execution of this lease, a copy of the insurance policy or policies required herein or, in lieu thereof, the face page of such policy or policies and any endorsements which limit or otherwise affect the coverage provided therein shall be delivered by Lessee to the Risk Manager of City for approval as to form and sufficiency. When such insurance policy or policies has been so approved, Lessee may substitute for same a certificate of insurance issued by the respective insurance company or companies certifying that such insurance policy or policies is in full force and effect and that all liabilities arising out of this lease and/or Lessee's possession and use of the leased property are covered by such insurance policy or policies. Notwithstanding any provisions to the contrary contained herein, Lessee shall not have the right to take possession of the leased property until such insurance policy or policies is filed with and approved by the Risk Manager of City.

Following execution of this lease, the Risk Manager of City may, based on an increase in the Consumer Price Index or by reason of the number or types of claims which have or might result from Lessee's possession and use of the leased property, require Lessee to change the form and/or increase the limits of the general liability insurance coverage required by this section; provided that the Risk Manager of City shall give Lessee notice of any such change or increase in the limits of general liability insurance coverage at least 30 days prior to the date that such insurance coverage must be in effect.

24. FIRE AND EXTENDED HAZARDS INSURANCE

During the initial or any extended term of this lease City shall insure all of the improvements located on the leased property and facilities appurtenant thereto against fire, extended coverage hazards, vandalism, and malicious mischief.

ATTACHMENT 2

25. WORKERS' COMPENSATION INSURANCE

Lessee shall, at Lessee's expense, purchase and maintain in full force and effect workers' compensation insurance if required by Federal and State of California law. Lessee shall also require all of Lessee's sublessees to maintain this insurance coverage if required by law. Proof of workers' compensation insurance or other documentation acceptable to City evidencing such insurance coverage shall be provided by Lessee or Lessee's sublessees to City upon request.

26. SALES, ASSIGNMENTS, TRANSFERS, SUBLEASES, AND ENCUMBRANCES

Lessee shall not sell, assign, transfer, or encumber this lease or any interest of Lessee in and to the leased property, nor sublease the leased property, in whole or in part, except with the consent of the City's Airport Manager. Neither shall this lease, nor any interest of Lessee in and to the leased property, be subject to an involuntary sale, assignment, or transfer, or sale, assignment, or transfer by operation of law in any manner whatsoever. Any such sale, assignment, transfer, encumbrance, or sublease, whether voluntary or involuntary, shall be void and of no effect and shall be a default which entitles City to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease.

27. BANKRUPTCY AND INSOLVENCY

Lessee agrees that in the event any proceedings under the Bankruptcy Act or any amendment thereto are commenced by or against Lessee and, if against Lessee, such proceedings are not dismissed either before an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event Lessee is adjudged insolvent or makes an assignment for the benefit of creditors, or in the event a receiver is appointed in any proceeding or action to which Lessee is a party with authority to take possession or control of the leased property or the business conducted thereon by Lessee, then Lessee shall be in default of this lease and City shall, to the extent permitted by law, be entitled to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease.

28. EMINENT DOMAIN

In the event of a total or partial taking of the leased property or any interest therein by a public authority under the power of eminent domain, including but not limited to any taking of Lessee's leasehold estate by City under City's power of eminent domain, then the rights of the Lessee with respect to the term, rent, and the just compensation awarded in such eminent domain proceeding shall be in accordance with the law in effect when such taking occurs.

ATTACHMENT 2

29. DEFAULT

Lessee shall be deemed in default under this lease:

- a. Upon breach of any of the covenants and conditions of this lease with respect to discrimination on the grounds of race, creed, color, national origin, or sex; with respect to economic discrimination; with respect to the sale, assignment, transfer, encumbrance, or subletting of the leased property; with respect to the bankruptcy or insolvency of Lessee; upon failure to pay any rent, installment, or any other charge required under this lease to be paid by Lessee to City when due; upon failure to provide evidence of the insurance when due; or with respect to any other covenant or condition of this lease, which breach cannot be cured, immediately upon being given notice thereof by City.
- b. Upon the breach of any of Lessee's other duties and obligations under this lease, which breach can be cured, if such breach is not cured within 30 days after being given notice thereof by City.

30. REMEDIES ON DEFAULT

a. City's Right to Terminate Lease

Upon Lessee's default of this lease, City shall have the right, without further notice, to terminate this lease and any and all interest of Lessee in and to the leased property, to enter upon and retake possession of the leased property, including all improvements thereon and facilities appurtenant thereto, by legal proceedings or otherwise, and to recover from Lessee, at the time of such termination, the excess, if any, of the amount of rent to be paid by Lessee under this lease for the balance of the lease term over the then reasonable rental value of the leased property for the same period. For the purposes of this section, City and Lessee agree that the "reasonable rental value" shall be the amount of rent which City can obtain as rent for the balance of the lease term.

ATTACHMENT 2

b. City's Right to Repossess, Operate, or Relet the Leased Property for Lessee's Account

Upon Lessee's default under this lease, City shall also have the right, without further notice and without terminating this lease, to enter upon and retake possession of the leased property, including all improvements thereon and fixtures appurtenant thereto, by legal proceedings or otherwise, and to take, operate, or relet the same in whole or in part for the account of Lessee at such rental, on such conditions, and to such tenant or tenants as City, in good faith, may deem proper, for a term not exceeding the unexpired period of the full term of this lease. City shall receive all proceeds from rent accruing from such operating or reletting of the leased property and shall apply the same first to the payment of all costs and expenses incurred by City in the operation or reletting of the leased property and any alterations or repairs reasonably necessary to enable City to operate or relet the leased property, and then to the payment of all such amounts as may be due or become due under the provisions of this lease, and the balance remaining, if any, at the expiration of the full term of this lease or on the sooner termination thereof, by written notice of termination given by City to Lessee, shall be paid over to Lessee. In the event proceeds from rentals received by City under the provisions of this section are insufficient to pay all costs and expenses and all amounts due and becoming due hereunder, Lessee shall pay to City, on demand by City, such deficiency as may from time to time occur or exist. Notwithstanding any such operation or reletting without terminating this lease, City may, at any time thereafter, elect to terminate this lease in the event that Lessee remains in default hereunder at such time.

c. City's Right to Perform

Notwithstanding any provisions as to notice of default in this lease to the contrary, if, in City's judgment, a continuance of any default by Lessee for the full period of the notice otherwise provided for will jeopardize the leased property, including any improvements thereon or facilities appurtenant thereto, or the rights of City, City may, without notice, elect to perform those acts in respect of which Lessee is in default at Lessee's expense and Lessee shall thereupon reimburse City, with interest at the rate of 10% per annum, upon 30 days' notice by City to Lessee.

d. Other Remedies

All rights, options, and remedies of City contained in this lease shall be construed and held to be cumulative and not one of them shall be exclusive of the other, and City shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided for by law, whether or not stated in this lease.

ATTACHMENT 2

31. WAIVER OF DEFAULT

Any waiver by City of a default of this lease arising out of the breach of any of the covenants, conditions, or restrictions of this lease shall not be construed or held to be a waiver of any succeeding or preceding default arising out of a breach of the same or any other covenant, condition, or restriction of this lease.

32. CITY'S RIGHT OF ENTRY

Lessee shall permit City and any agents and employees of City to enter in and upon the leased property at all reasonable times for the purpose of inspecting the same, or for the purpose of posting notices of nonresponsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the leased property thereby occasioned.

33. EFFECT OF HOLDING OVER

Any holding over after the expiration of the initial or any extended term of this lease, with the consent of City, shall be construed to be a tenancy from month-to-month at the monthly rental to be paid by Lessee to City pursuant to the terms of this lease immediately prior to the expiration of such initial or extended term and shall otherwise be subject to the covenants and conditions herein provided by this lease, insofar as applicable.

34. NOTICES

All notices or demands to be given, made, or sent, or which may be given, made, or sent by one party to the other pursuant to this lease shall be deemed to have been given, made, or sent when made in writing, and deposited in the U.S. mail, certified and postage prepaid, addressed as follows:

- a. To City: City of Chico
Attention: Airport Manager
150 Airpark Blvd
Chico, CA 95973
- b. To Lessee: Chico Air Museum
Attention: Board Chair
165 Ryan Avenue
Chico, CA 95973

The address to which any notice, demand, or other writing may be given, made, or sent by any party as above provided may be changed by written notice given by such party as above provided.

ATTACHMENT 2

35. AMENDMENTS

This lease may be modified or amended only by a writing duly authorized and executed by both City and Lessee. It may not be amended or modified by oral agreement or understanding between the parties unless the same shall be reduced to a writing duly approved and executed by both parties.

36. PARTIES BOUND

The covenants and conditions herein contained shall apply to and bind the legal representatives, successors, and assigns of all of the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this lease in the City of Chico, County of Butte, State of California, on the date first set forth above.

CITY OF CHICO

LESSEE

By: Mark Sorensen, City Manager

By: Ravi Saip, Board Chair
Chico Air Museum

Authorized pursuant to the approval by the
Airport Commission on April 25, 2023

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Vincent Ewing, City Attorney*

Tom Bahr, Airport Manager*

*Pursuant to The Charter of the
City of Chico, Section 906(D)

*Authorized pursuant to AP&P
Number 90-16, Section 5.0 h

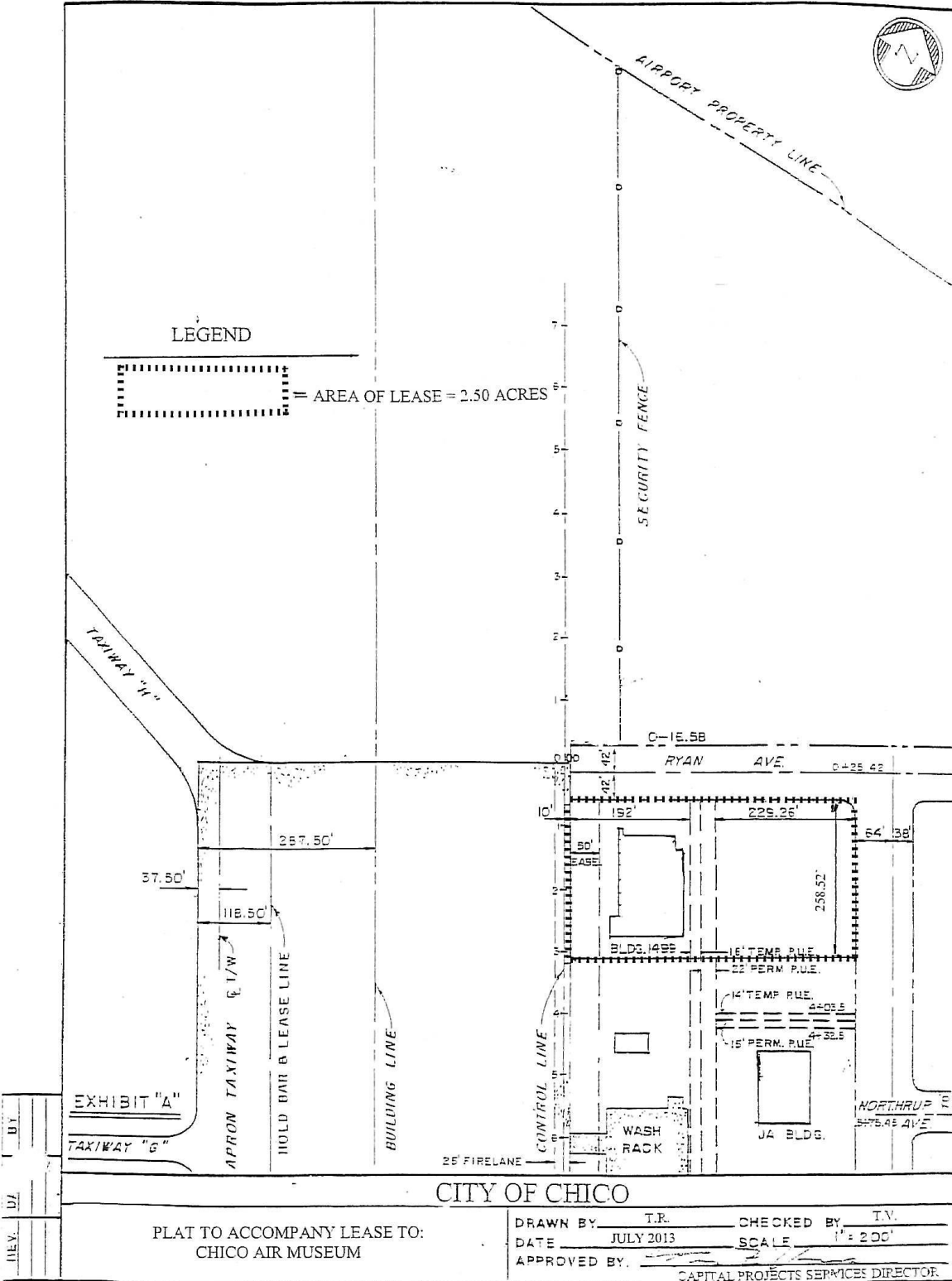
APPROVED AS TO CONTENT:

Barbara Martin, Administrative Services Director*

*Reviewed by Finance and Information Systems

ATTACHMENT 2

EXHIBIT A



ATTACHMENT 2

EXHIBIT B

ADDITIONAL CONDITIONS REGARDING USE OF LEASED PROPERTY

In connection with Lessee's occupancy and use of the leased property as a public air and space museum Lessee agrees that it shall:

1. Ensure that the Chico Air Museum is open to the general public as a public air and space museum a minimum of 20 hours per week.
2. Ensure that a responsible representative of the Chico Air Museum will be present at all times during hours of operation.
3. Prevent unescorted public access to the Air Operations Area (AOA) at all times and in accordance with current or future Transportation Security Administration (TSA) regulations.
4. Ensure that an occupancy permit is obtained for the leased property and that occupancy does not exceed the maximum identified by the City's Fire Marshall.
5. Reporting Requirements. On or before January 15th of each year during the initial or any extended term of this lease, Lessee shall provide the Airport Manager with a report that includes: (1) a statement of all income received by Lessee and expenses incurred by Lessee during the preceding year; (2) information on additions to the exhibits presented along with the approximate number of attendees during the year; (3) a progress report of the status of the facility improvements identified in the five year plan, including information on any modifications to or deviations from the plan and the actions taken to address the modifications or deviations; and (4) a schedule of anticipated additions to exhibits and the activities that are planned for the coming year.

CITY OF CHICO
AIRPORT COMMISSION MINUTE ORDER NO. 01-23

SUBJECT: AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE A LEASE OF IMPROVED REAL PROPERTY AT THE CHICO REGIONAL AIRPORT (CITY OF CHICO/CHICO AIR MUSEUM) FOR 165 RYAN AVENUE.

EXPLANATION PROVIDED BY: Airport Manager

Initials (TB)

1. In January 2023, The Chico Air Museum notified the City they want to renew their lease for the hangar and associated lot located at 165 Ryan Ave.
2. The Chico Air Museum has been leasing the hangar and adjacent lot at 165 Ryan Ave. since August of 2013, with the current lease expiring at the end of August 2023. The initial lease had a five-year term with the option for an additional five-year extension.
3. The new Chico Air Museum lease will have an initial five-year period, ending in August of 2028, with two additional five-year extension options.

RECOMMENDATION: Airport Manager

Initials (TB)

It is recommended that the Airport Commission approve this Minute Order and authorize the City Manager to execute this Lease of Real Property at the Chico Regional Airport (City of Chico/Chico Air Museum) located at 165 Ryan Ave.

AIRPORT MANAGER:

Initials (TB)

AIRPORT COMMISSION (MEETING OF 04/25/23)

I hereby certify that the Airport Commission took the following action on this Minute Order:

Approved Other (explain below)

Tom Bahr, Airport Manager

CERTIFICATION

I hereby certify that the above is a true and correct copy of the original Minute Order on file in the office of the Airport Manager.

Tom Bahr, Airport Manager

DISTRIBUTION

Preliminary:

Final: