



## Snohomish County Council

**Committee:** Finance  
**ECAF:** 22-0717  
**Proposal:** Mot. 22-311

**Analyst:** Heidi Beazizo  
**Date:** August 11, 2022

### **Consideration**

The Executive's Office requests Council consider approving proposed Motion 22-311 which would approve and establish lease and rental rates to be charged by Snohomish County Airport at Paine Field.

### **Background**

Under federal, state, and local law, the Airport is required to collect fair market value for its rental properties. Completed appraisals of Airport property are used by the Airport to determine fair market rental rates for land and buildings until the next appraisal. Leases used for Airport property include provision for adjustment to fair market value every 3-5 years.

The prior market appraisal of Airport property was completed in 2016 and the rates were approved by Council via Motion 19-301<sup>1</sup> on September 25, 2019. CBRE, Inc. has recently completed an appraisal of certain Airport properties for both aviation and non-aviation land, along with a category of improvements for Airport owned buildings, including hangar/warehouse and office space.

### **Current Proposal**

*Scope:* Proposed Motion 22-311 adopts and establishes lease and rental rates to be charged by Snohomish County Airport at Paine Field. Comparison charts by rental type are below.

#### **AVIATION LAND**

Use	2019 Adopted	2022 Proposed
Aviation (Small)	\$ .893	\$1.140
Aviation (Large)	\$0.558	\$0.709

#### **NON-AVIATION LAND**

Use	2019 Adopted	2022 Proposed
Industrial (small)	\$0.945	\$1.207
Industrial (large)	\$0.591	\$0.750
Bus. Park (small)	N/A	\$1.207
Bus. Park (large)	N/A	\$0.750
Eastside Commercial	\$0.911-1.350	\$0.911-\$1.350
Westside Commercial	\$1.0125-1.485	\$1.0125-\$1.485

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<sup>1</sup> [https://snohomish.granicus.com/MetaViewer.php?view\\_id=2&clip\\_id=6984&meta\\_id=456795](https://snohomish.granicus.com/MetaViewer.php?view_id=2&clip_id=6984&meta_id=456795)

## **HANGAR / WAREHOUSE**

Extent of improvement	2019 Adopted	2022 Proposed
Basic <sup>2</sup>	\$0.46-0.59	\$0.50-\$0.63
Average <sup>3</sup>	\$0.60-0.79	\$0.64-\$0.83
Premium <sup>4</sup>	\$0.80-0.96	\$0.84-\$1.10

## **OFFICE**

Extent of improvement	2019 Adopted	2022 Proposed
Basic <sup>1</sup>	\$1.00-1.25	\$1.15-\$1.35
Average <sup>2</sup>	\$1.26-1.50	\$1.36-\$1.70
Premium <sup>3</sup>	\$1.51-2.00	\$1.71-\$2.20

Typical Base T-Hanger Rates: \$405/unit/month

*Duration:* until new rates are adopted (typically appraisals are conducted every 3-5 years)

*Fiscal Implications:* Estimated

**2022 Budget:** YES. Approximately \$200,000 in increased revenue as agreements are updated or executed.

**Future Budget Impacts:** YES. Approximately \$4,000,000 in total increased revenue over time as agreements are updated and executed.

**Handling:** NORMAL.

**Approved-as-to-form:** N/A – future agreements/amendments will be reviewed as new rates are incorporated

**Risk Management:** YES.

**Executive Recommendation:** YES.

**Request:** Move to GLS on August 31<sup>st</sup> for Council to consider taking action.

<sup>2</sup> Basic: older space, low ceiling height, basic utility service, minimal or no heat

<sup>3</sup> Average: generally 15-40 year age, average ceiling height, average industrial power, average space heat

<sup>4</sup> Premium: newer buildings, higher ceiling height, average or manufacturing grade power, good quality heat