



# Snohomish County Council

## Legislation Text

File #: 2022-0717, Version: 1

### Executive/Council Action Form (ECAF)

**ITEM TITLE:**

Motion 22-311, establishing lease and rental rates to be charged by Snohomish County Airport at Paine Field

**DEPARTMENT:** Airport

**ORIGINATOR:** Nickolis A. Landgraff

**EXECUTIVE RECOMMENDATION:** Approved by Ken Klein 07/25/22

**PURPOSE:** To set rates for rental of certain County owned properties at the Snohomish Airport at Paine Field.

**BACKGROUND:** .

- The Airport is required to collect fair market value for its rental properties by federal, state, and local law.
- Leases used for Airport property include a provision for adjustment to fair market value every 3-5 years.
- The appraisal of Airport property is used by staff to set rates for leasing airport owned facilities within defined ranges based on building quality and characteristics until the next appraisal.
- The prior market appraisal of Airport property was approved on September 25, 2019 by County Council via Motion No. 19-301 and, before that, approved on October 17, 2016 by County Council via Motion No. 16-451.
- The new land and building fair market rental rates are summarized in the attached letter from CBRE. CBRE staff have 20+ years of experience in Airport appraisals in the State of Washington.
- The conclusions have been generated through the application of two approaches. The use of these separate approaches reflects the full spectrum of land values and market rents resulting in conclusions for different types of land and building use categories throughout the Airport.

**FISCAL IMPLICATIONS:**

EXPEND: FUND, AGY, ORG, ACTY, OBJ, AU	CURRENT YR	2023-2024	1ST 3 YRS
<b>TOTAL</b>			

REVENUE: FUND, AGY, ORG, REV, SOURCE	CURRENT YR	2023-2024	1ST 3 YRS
Fund 410 Multiple DACS	\$200,000	\$3,800,000	\$4,000,000
32168016250, 32168026250, 3216802651,	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>

32168016252, 32168016255, 32168026255,			
32168026256, Misc.			
<b>TOTAL</b>	\$200,000	\$3,800,000	\$4,000,000

**DEPARTMENT FISCAL IMPACT NOTES:** Each lease has a unique rent adjustment date based on the lease start date and individual lease terms. It will take between 3-5 years to realize the full net gain of this appraisal. It is estimated the full net increase will be approximately \$4,000,000 at fruition.

**CONTRACT INFORMATION:**

ORIGINAL                      CONTRACT#    AMOUNT  
AMENDMENT                      CONTRACT#    AMOUNT

**Contract Period**

ORIGINAL                      START    END  
AMENDMENT                      START    END

**OTHER DEPARTMENTAL REVIEW/COMMENTS:** Reviewed/approved by Risk - Shelia Barker 07/22/22.  
Reviewed/approved by Finance - Nathan Kennedy 07/22/22