

OGD UPDATES, & OTHER AIRPORT EVENTS



Attached please find a letter from the Ogden City attorney addressed to all Ogden Airport Private Hangar Tenants. It describes a one-time opportunity to extend ground leases for 5 years under some circumstances.

This email is sent to you because your email address is on an airport email list of hangar tenants and associated hangar users. If you are not an Ogden Airport hangar tenant or associated hangar user, please disregard this email.

OFFICE OF CITY ATTORNEY

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To: Ogden Airport Private Hangar Ground Lease Tenants

Re: 5-Year Ground Lease Extension Opportunity

Dear Tenant:

In April 2021, Ogden City adopted an ordinance limiting the issuance of new ground leases for hangars over 40 years of age. Upon expiration of a lease agreement, a 40+ year old hangar may be removed from the airport by tenant, or leased back to tenant via a facility lease for fair market rental value of both the structure and the ground. Many tenants have expressed disappointment with this policy change. Recently, a federal class action lawsuit brought by airport tenants was dismissed. Other lawsuits may be pending.

The city is interested in resolving claims with willing tenants, and the mayor is empowered to settle claims on behalf of the city. The Ogden City mayor has authorized the Airport Manager to negotiate and enter into settlement agreements with tenants in exchange for the city granting a new ground lease for a term of 5 years beyond a tenant's current lease term. This one-time opportunity is not expected to be available in future years.

This letter is not an offer of settlement, but rather an invitation to discuss with each tenant the possibility of entering into a settlement agreement and extended ground lease. A 5-year ground lease extension is not available in all circumstances. Extension of ground leases for hangars within redevelopment areas may be limited by the city's redevelopment plans. Furthermore, an extended ground lease may be unavailable for: (1) nonaeronautical leases, (2) commercial leases, (3) tenants in breach of their lease, and (4) tenants whose lease expired (including at-will and month-to-month tenants) before the ordinance was adopted on April 20, 2021. There may be other issues not listed above that affect the availability and terms of a new ground lease.

If you are interested in the opportunity described herein, you must apply and qualify for a new ground lease at the airport, including hangar inspection, submission of proof of insurance, and payment of the ground lease transaction fee. Rent payments must be current. The completed application must be filed by December 31, 2022. If an application is accepted and an extended ground lease is granted, the tenant and tenant's associated hangar users must sign a settlement agreement and waiver of claims. If granted, tenant and the city would enter into a new ground lease agreement

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Thanks for listening and supporting the Ogden Regional Airport.

bwg

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