

14 November 2023

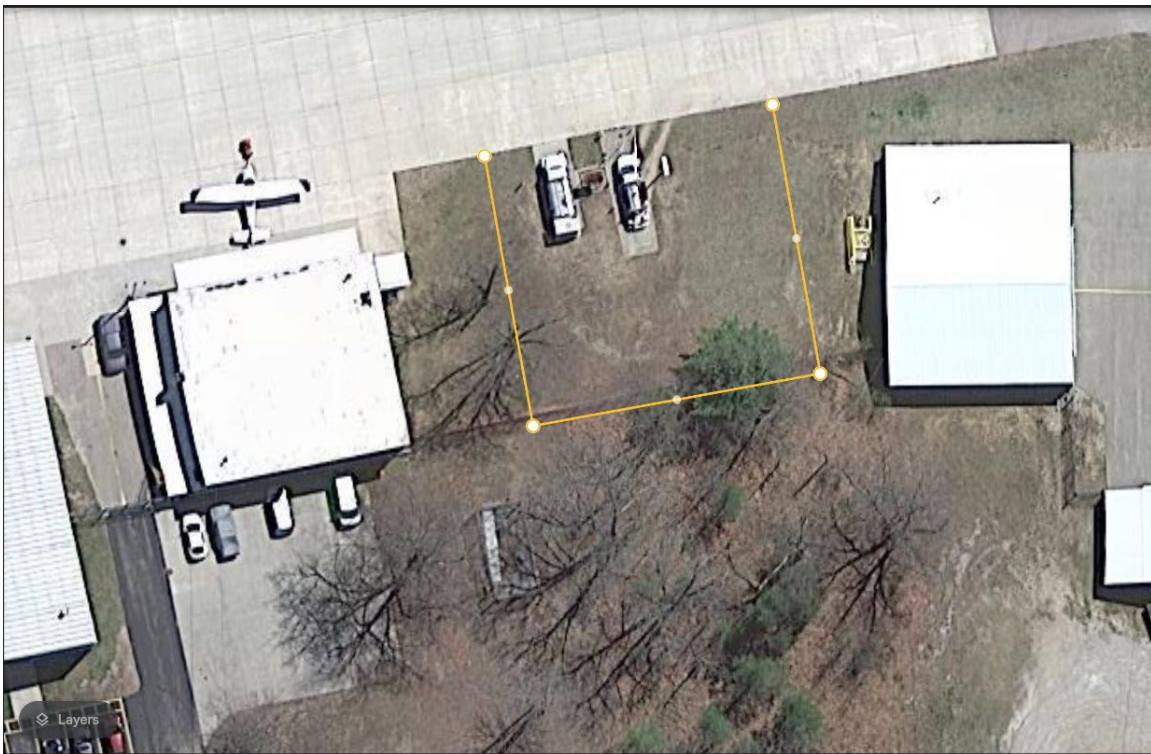
To: Alpena County Board of Commissioners

Re: Reallocation of Airport Property

On 10 December 2023 Alpena County Regional Airport shall have exclusive rights to fueling operations at the Airport. The Airport will need a hardstand area to park fuel tankers, and such an area exists on the property leased by Huron Aviation Services (HAS), Building 1585, which currently amounts to 67,500 square feet.

The land reallocation would amount to 8,550 square feet from the edge of the ramp to the perimeter fence, and to the abutting Experimental Aircraft Association lease.

This will result in a 7.89% reduction in the land leased by HAS (round to 7.9%) which will reduce the land lease amount from \$208.06 per month to \$191.63 per month (as of 2013 lease amounts). See image.



An attorney review of the lease from 3 April 2018 states all improvements on the property being leased by HAS are the property of Alpena County through the reversion clause (Attachment 1).

Respectfully

A handwritten signature in blue ink, appearing to read "S. Smigelski".

Steven Smigelski
Airport Manager
Alpena County Regional Airport

MEMORANDUM

To: Tammy Bates

From: K. Edward Black

Subject: Ownership – Besser Hanger

Opinion

Mrs. Bates, you requested an opinion concerning the ownership of the Besser hanger. Based on the new lease, it appears that any new construction (constructed after March 16, 2013) of a hanger on the real estate will remain the property of Besser Company until the expiration of the lease. (Exhibit A, paragraph 22 and 23).

However, the ownership of any prior improvements (i.e. prior hangers constructed) is more complex. Alpena County and Besser Company have entered into three separate lease agreements since 1973. The first (Exhibit B) and second (Exhibit C) indicate that,

“That said Lessee will at its own expense, during the continuance of this lease, keep the said premises and every part thereof in as good repair, and at the expiration of the term, yield and deliver up the same in the like condition as when taken, reasonable use and wear thereof and damage by the elements excepted, and buildings and improvements shall remain the property of Lessor.”

Therefore, under these agreements, any improvements or hangers constructed became the property of the County.

The third lease in paragraph 2 however, describes the leased “Premises” as the land and does not also include the improvements.

Paragraph 5 indicates that the Lessee WILL erect a hanger at their own expense within one year.

Paragraph 22 indicates that upon expiration or earlier termination of the Lease, the Lessee shall surrender possession of the Premises and improvements.

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Paragraph 23 indicates that if the Lease is terminated prior to the end of the term, Lessee shall have the right to remove the hanger. If it does not, then it would become the property of the Lessor.

The parties could have intended the third lease to make any and all improvements on the "Premises" the property of the Besser Company until the expiration of the lease. Or they could have intended that only the new hanger which is to be built within the year remain the property of Besser Company until the termination of the third lease.

The most consistent reading of the three agreements is the latter. Therefore, it is my opinion that any improvements upon the "Premises" during the first or second lease are the property of Alpena County. Only the new hanger which is to be constructed by Besser Company within the year should be considered the property of Besser Company.