

**CITY OF JOPLIN  
COUNCIL AGENDA ITEM**

**ITEM**

Council Bill 2023-134 Airport Land Lease Rate Schedule

**MEETING DATE**

July 17, 2023

**ORIGINATING DEPT**

Public Works-Airport

**ATTACHMENTS**

Council Bill 2023-134, Proposed Land Lease Rate Schedule, CMT Rates & Charges Study.

**REVIEWED BY**

Director of Public Works, Daniel Johnson; Finance Director, Leslie Haase; City Attorney, Peter Edwards; Assistant City Manager, Tony Robyn; City Manager, Nicholas Edwards

**SUMMARY**

This Council Bill authorizes the City to adopt the updated Airport Land Lease Rate Schedule for airport land in compliance with Federal Aviation Administration (FAA) regulations.

**BACKGROUND**

The FAA requires, under the Federal Grant Assurances, that all airports who accept federal funds through the Airport Improvement Program or related grant programs receive a “Fair Market Value” for land accrued under the program’s authority. In 2004, at the request of the FAA, the Airport established a land lease rate schedule that would bring low rates back in line with market values. That schedule covered a period through 2029. Recently, new lease agreements were drafted, and tenants wanted to see projected rates beyond 2029. In May of this year, city staff commissioned Crawford, Murphy, and Tilley (“CMT”) to conduct a Rates and Charges Study comparing JLN rates with similar airports in our region. The purpose of the study was to review the current 25-year land lease rates established in 2004 and evaluate the continuation of that schedule for future lease agreements, for the period beginning in 2030 to 2054.

CMT evaluated the land lease rates and operations at the airports in the following cities: Columbia, MO, Cape Girardeau, MO, Springfield, MO, Northwest Arkansas and Wichita, KS. These airports were chosen because they are similar to Joplin and geographically close to Joplin. The full study is attached hereto as an Exhibit.

The report concluded that for the period 2025 – 2029 the predetermined Land Lease Rate for JLN would rise from \$0.129 to \$0.149, an increase of 15.5%. This amount was determined to be a fair market return and was in keeping with the current rate schedule. It was the consultant’s recommendation that the city continue with the current rate and fee schedule for future lease agreements beginning in 2030.

**FUNDING SOURCE**

N/A

**RECOMMENDATION**

Staff recommends adoption of Council Bill 2023-134 on first reading.