



Staff Report

File #: 21-526

Version: 1

Date: 12/6/2021

Item #: 3.3c.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Director

SUBJECT:

Ground Lease Waiver to Support Aircraft and Automobile Electric Charging Stations

Ward(s): 2

Councilor(s): Andersen

Neighborhood(s): SEMCA

Result Area(s): Environmental Stewardship; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy

SUMMARY:

Approve a ten-year ground lease waiver with Salem Aviation Fueling to support BETA Technologies' proposed project to install aircraft and automobile electric charging stations at the Salem Municipal Airport

ISSUE:

Shall City Council authorize the City Manager to waive ground lease rent for ten years in support of electric aircraft and automobile charging station development at the Salem Municipal Airport?

RECOMMENDATION:

Authorize the City Manager to waive ground lease rent for ten years in support of electric aircraft and automobile charging station development at the Salem Municipal Airport.

FACTS AND FINDINGS:

- BETA Technologies is funding the entire cost of installation, including required power extensions from 25th Street to the charging sites, at an estimated investment of \$80,000.

- The intimal term of the operating agreement between BETA and Salem Aviation Fueling is 10 years.
- The total ground lease space required is minimal, serving only the required power box and the physical dispenser pads (Attachment 1 and 2). At an estimated annual ground lease cost of \$100 per year, lost revenue to the airport over the term of the 10-year agreement is \$1,000.
- At its October 27, 2021 meeting, the Airport Advisory Commission voted unanimously to support a lease waiver to encourage electric aircraft and automobile charging stations at the airport.

BACKGROUND:

BETA Technologies, an urban air mobility electric aircraft company based in Vermont, has proposed to install up to three electric aircraft charging stations and two automobile charging stations at the Salem Municipal Airport as part of an effort to develop a nationwide network of aircraft charging facilities at airports. The aircraft charging stations would be located at an underutilized portion of the general aviation parking ramp south of the Flight Deck restaurant, and the two automobile charging stations would serve nearby parking spaces in the Flight Deck restaurant parking lot (Attachment 1).

As the sole licensed commercial fuel provider at the airport, Salem Aviation Fueling has agreed to partner with BETA Technologies to operate and maintain the physical equipment and to service any electric aircraft utilizing the charging stations, as is done with gas-powered aircraft. The operations and maintenance agreement between the two parties is for a ten-year term. Given that there is likely to be little use in the early years of the agreement, and therefore little revenue or profit to either entity, a request has been made to the City to waive the standard ground lease fee for the installation of the charging stations.

John Paskell
Airport Manager

Attachments:

1. Electric Dispenser and Power Box Locations
2. Aircraft Electric Fuel Dispenser Photo