



City of Kenai
Kenai Municipal Airport
Land Lease Within the Airport Reserve
Frequently Asked Questions

Q: HOW DO I FIND WHICH LANDS ARE AVAILABLE FOR LEASE?

A: The City provides a map of lands available for lease here: www.kenai.city/visiting/airport/leaselots

Q: DOES LAND HAVE TO BE LEASED OR CAN IT BE PURCHASED?

A: City-owned land within the Airport Reserve cannot be purchased. Link to Airport Reserve Boundary Map: kenai.municipal.codes/KMC/21.05.020

Q: HOW DO I APPLY FOR A LEASE?

A: Applicants must be at least 18 years of age, a legal entity authorized to conduct business in Alaska, or acting on behalf of such an entity. Applicants must complete an application form and pay a non-refundable application fee of \$100. Link to Application: www.kenai.city/sites/default/files/forms/Airport_Land_Lease_Application.pdf

Q: WHAT IS THE DIFFERENCE BETWEEN A LEASE AND A SPECIAL USE PERMIT?

A: A lease is for a term greater than one year and requires development, and a Special Use Permit is a temporary permit to use land for one year or less.

Q: HOW LONG DOES IT TAKE FOR A LEASE APPLICATION TO BE APPROVED?

A: The typical lease application review process takes 60-90 days. Applications are published and reviewed by the Airport Commission, Planning and Zoning Commission, and the City Council, which have regular meetings scheduled each month. Link to schedule of meetings here: www.ci.kenai.ak.us/calendar/month

Q: WHAT HAPPENS IF SOMEONE ELSE APPLIES TO LEASE THE SAME PROPERTY?

A: If another application is received for the same property within 30 days from the notice of application publication date, City staff will forward the application, the City Manager's recommendation and the Commissions' recommendations to the City Council for approval of the application anticipated to best serve the interests of the City. The City Council may approve one of the applications, reject all the applications or direct the City Manager to award a lease of the property by sealed bid.

Q: HOW IS THE LENGTH OF LEASE DETERMINED?

A: The length of term for an initial lease is based on the amount of investment the applicant proposes to make in the construction of new permanent improvements on the premises according to a term table: <https://kenai.municipal.codes/KMC/21.10.080>

Q: HOW IS THE ANNUAL RENT DETERMINED?

A: Annual rent is determined at 8% of the fair market value appraisal of the land, excluding improvements, and annual rents for each parcel are published in the City's schedule of fees [link]. Rent is adjusted annually based on the rate of inflation determined by the Consumer Price Index (CPI). Every ten years, the City conducts an Airport Market Analysis to determine whether a market adjustment is necessary. Lessees will be provided a 30-day notice of an adjustment to rent and, if a lessee disagrees with the proposed rent (other than CPI adjustments), the City provides for an appeal process. Link to Current Fee Schedule: www.kenai.city/government/feeschedule

Q: WHAT ARE THE SETBACKS?

A: For most lots within the Airport Reserve, the setbacks are as follows: Front setback: 20 feet; Rear setback: 10 feet; and, Side setback: 10 feet. However, for lots inside the airport perimeter fence that are along aircraft movement areas, ramps, taxiways, or parking aprons, the building restriction line in the Airport Layout Plan (ALP) governs side setbacks and each lot varies.

Q: WHERE ARE THE UTILITIES LOCATED?

A: The City will provide a map of utilities upon request.

Q: DO I HAVE TO PAY TO CLEAR THE PROPERTY?

A: Property listed as available for lease is leased “as-is” with or without any site-preparation work that has occurred on the property.

Q: CAN THERE BE LIVING QUARTERS IN THE HANGAR?

A: No. As a commercial service airport, the Kenai Municipal Airport may not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Grant assurance 5.(g)

Q: WHAT ARE SOME ADVANTAGES OF HAVING A LEASE WITHIN THE AIRPORT RESERVE?

A: The Kenai Municipal Airport is a full-service 49 CFR part 139 non-hub primary airport with two commuter airlines offering scheduled service to Anchorage seven days a week with over 20 flights per day. Charter services are also available. The Automated Flight Service Station is open 24 hours a day, and a contract Air Traffic Control Tower is located on field. Credit card fuel pumps are available 24-hours a day for both wheeled and float aircraft in addition to aircraft maintenance and avionics shops. Two shipping services provide on-field transit for most cargo sizes. Two runways and a floatplane basin accommodate a variety of aircraft (7,855 foot x 150 foot wide grooved, asphalt runway; 2,000 foot long x 60 foot wide gravel runway; 4,600 foot x 252 foot wide water runway). Instrument landing system (ILS) to Runway 20R. Class I, Aircraft rescue and firefighting (ARFF) Index A with 24-hour fire response. The terminal includes a restaurant and lounge as well as car rental services and office space. An aircraft operator who makes similar use of the Airport as air carriers and other aeronautical users/tenants and who has established a long-term commitment to lease space/property within the Airport reserve has met the Airport’s qualifications to pay signatory landing fee rates.

Q: HOW DO DEVELOPMENT INCENTIVES WORK?

A: The City offers temporary development incentives to encourage investment in the form of a credit applied toward rent for a maximum of five years. The credit may only include the value of site preparation work on the leased premises to include clearing and grubbing, unclassified excavation, classified fill and back fill, a crushed aggregate base course, and utility extensions. A request for the credit will need to be accepted and approved by the City prior to any work being performed. kenai.municipal.codes/KMC/21.10.100

Q: WHAT HAPPENS TO IMPROVEMENTS MADE ON THE PROPERTY AT THE END OF THE LEASE?

A: The lessee has the option to remove or sell lessee-owned permanent improvements constructed on the property by the lessee. kenai.municipal.codes/KMC/21.10.105

Q: WHO IS RESPONSIBLE FOR MAINTENANCE, SNOW REMOVAL, AND UTILITIES?

A: The lessee is responsible for maintenance, snow removal, and utilities. The City uses a standard lease form for leasing Airport Reserve Lands [link to lease form]