



Contra
Costa
County

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: October 13, 2015

Subject: Approval of Consent to Assign. of Lease between CCCounty, NWK2, Inc. & Concord Jet Serv. & Approval of 1st Amend to Lease for Concord Jet Serv. at CCR

RECOMMENDATION(S):

A. APPROVE and AUTHORIZE the Director of Airports, or his designee, to execute on behalf of the County, the Consent to Assignment that will permit the County's current tenant, NWK2, Inc., to assign its lease of the County-owned property located at 1448-50 Sally Ride Drive, Concord (the Lease) to Concord Jet Services, Inc. Pacheco Area

B. APPROVE and AUTHORIZE the Director of Airports, or his designee, to execute on behalf of the County an amendment to the Lease to make its terms consistent with those of comparable airport leases.

FISCAL IMPACT:

The Airport Enterprise Fund will continue to receive lease and other revenues provided for in the Lease. The County General Fund will continue to receive property, sales and possessory interest tax revenues from the Lease.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/13/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I
Supervisor
Candace Andersen, District II
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: Mary N. Piepho, District III
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 13, 2015

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Beth Lee, (925)
681-4200

cc:

BACKGROUND:

The County originally entered into the Lease with APEX Aviation Corporation (APEX) in 2005 for the purposes of providing specialty aviation services. As permitted by the Lease, APEX entered into a leasehold mortgage that gave the lender a lien in the leasehold estate. The holder of the leasehold estate, Rabobank, N.A. (Bank) foreclosed and assigned its interest in the Lease to an affiliate of the Bank, NWK2, Inc., on July 12, 2012.

NWK2 desires to assign all of its interest in the lease to Concord Jet Services, Inc. An assignment of the Lease requires the written consent of the County. This action authorizes consent to the assignment.

The Lease has certain terms that are inconsistent with the terms of other airport leases. For example, the Lease contains a maintenance improvement obligation that requires a minimum level of financial investment for property maintenance, rather than determining what improvements are necessary based on a property inspection. In addition, its “percentage rent and other additional rent” and “rental operations” provisions are not standard. The proposed amendment will correct the date on which the revaluation of the rent occurs, modify the terms for percentage rent and other additional rent, modify the type of operations permitted, modify the property maintenance requirements and modify the terms under which the County may cancel the Lease, all in a manner that will make the terms of the Lease consistent with those of other specialty aviation service leases that are in effect at the Buchanan Field and Byron Airports.

CONSEQUENCE OF NEGATIVE ACTION:

NWK2, Inc. will not be able to assign its interest in the Lease and the Lease will continue to have provisions that are not consistent with those of other comparable leases.

ATTACHMENTS

Consent to Assignment of Lease

First Amendment to Lease