



Contra  
Costa  
County

To: Board of Supervisors  
From: Keith Freitas, Airports Director  
Date: March 1, 2016

Subject: Contra Costa Airports-Authorization to Enter Into a Rental Agreement for 181 JGD at the Buchanan Field Airport

### **RECOMMENDATION(S):**

AUTHORIZE the Director of Airports, or designee, to negotiate and execute a monthly rental agreement between the County, as Landlord, and Delux Public Charter, LLC, dba JetSuiteX (JetSuiteX), as the tenant, for the property located at 181 John Glenn Drive, commonly referred to as the Terminal Building, on east side of the Buchanan Field Airport (District IV).

### **FISCAL IMPACT:**

There is no impact on the County General Fund. If Buchanan Field is chosen by JetSuiteX as a site of operation, staff will consider making facility and/or site improvements to accommodate this use at an estimated cost of \$50,000 to the Airport Enterprise Fund. It is expected that any cost incurred by the Airport Enterprise Fund would be recouped within one year in the form of rent and increased fuel flowage fees. Assuming JetSuiteX operates three flights per day, five days per week, with 20 passengers per flight, the expected cash flow to the Airport would be approximately \$10,000 per month (\$3,800 from fuel flowage and the balance from passenger enplanement). In addition, the County General Fund could realize sales tax and other revenues.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **03/01/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

### **VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Mary N. Piepho, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V 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: March 1, 2016

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

By: Stacey M. Boyd, Deputy

Contact: Beth Lee, (925)  
681-4203

cc:



## BACKGROUND:

JetSuiteX is considering offering a new scheduled charter service that would serve various cities that are within a 90 minute flight distance from the departure airport. Initially, flights are expected to operate between northern and southern California (the Los Angeles Basin). Other connection areas may include Las Vegas, Phoenix, Seattle and San Diego. Buchanan Field is one of the airports JetSuiteX is considering using as part of its operation of this new service. The company's site selection is expected to be publicly announced around March 3, 2016, with service possibly beginning within a few weeks of the announcement.

The company intends to use quiet, modified Embraer 135 jets and to make a maximum of 30 seats available per flight, which will provide passengers with an upscale cabin experience. JetSuiteX advises that it expects to initiate at least one flight per day between the Bay Area and general aviation airports in the Los Angeles basin.

If Buchanan Field is chosen, the company could operate out of the former terminal building on the north end of John Glenn Drive. In order to permit service to begin as soon as possible, JetSuiteX and the County would enter into a month-to-month rental agreement. The final form of the agreement has not been negotiated; certain terms (such as public use of the restrooms) are subject to discussion with JetSuiteX. It is expected that the agreement will be in substantially the form attached. If the proposed business is successful, the County and JetSuiteX may choose to enter into a long-term lease at a future date. If so, that agreement would be subject to the approval of the Board of Supervisors.

The rental agreement that the parties would enter into initially would allow for month-to-month use of the building in exchange for concession rent (in the form of a \$5.00 per passenger enplanement fee).

As the lessor under the rental agreement, the Airport may make necessary improvements to its facility at 181 John Glenn Drive (such as fencing, electrical improvements, and/or structural modifications) to make the building suitable for use as a scheduled charter passenger terminal. The cost of such improvements (which is not estimated to exceed \$50,000) would be funded by the Airport Enterprise Fund. It is expected that the concession rent from the operation of, and the increase in fuel flowage fees related to, this new activity would more than cover these initial costs in the first year of operation (estimated amounts are shown in Section II).

The proposed use and location are consistent with the Buchanan Field Airport Master Plan and the Mitigated Negative Declaration that was adopted by the Board of Supervisors on October 24, 2008.

## CONSEQUENCE OF NEGATIVE ACTION:

The Airport may not receive the enhanced service and associated revenue plus another airport may become the recipient.

#### ATTACHMENTS

JetSuiteX Rental Agreement