



Contra
Costa
County

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: June 21, 2016

Subject: Approval of Lease Assignment between County, Picchi Family Trust & Michael Oakes for Prpty at CCR & Amended/Restated Lease Between County & M Oakes

RECOMMENDATION(S):

- A. APPROVE and AUTHORIZE the Director of Public Works, or designees, to execute on behalf of the County, a consent to assignment of the lease between the County and the current tenant, the Picchi Family Trust, and the new tenant, Michael J. Oakes to assign its lease of the County-owned property located at 1500 Sally Ride Drive, Concord to Michael J. Oakes.
- B. APPROVE and AUTHORIZE the Director of Public Works, or designees, to EXECUTE, on behalf of the County, an amended and restated lease between the County, as landlord, and Michael J. Oakes, as tenant, which modifies the terms of the existing long-term ground lease of the property located at 1500 Sally Ride Drive, Concord.
- C. APPROVE and AUTHORIZE the Director of Public Works, or designees, to execute, on behalf of the County, a Consent to Leasehold Encumbrance and Estoppel between the County, as Landlord, Michael J. Oakes, as Tenant, and Scott Valley Bank, as the Leasehold Mortgagee, for leased premises, commonly known as 1500 Sally Ride

☒ APPROVE ☐ OTHER
☒ RECOMMENDATION OF CNTY ADMINISTRATOR ☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **06/21/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: Candace Andersen, District II
Supervisor
Mary N. Piepho, District III
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: John Gioia, District I
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: June 21, 2016

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

By: Stacey M. Boyd, Deputy

Contact: Beth Lee, (925)
681-4200

cc:

Drive, at the Buchanan Field Airport.

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.

BACKGROUND:

The County entered into a ground lease with Roger A. Picchi in 1992 for undeveloped property at Buchanan Field Airport that is currently known as 1500 Sally Ride Drive, Concord (the Lease). Through an Assignment and Assumption of Ground Lease dated as of April 28, 1999, Roger A. Picchi assigned the Lease to the Picchi Family Revocable Trust (the “**Picchi Family Trust**”). The Lease permitted the tenant to construct and operate a corporate hangar facility on the property.

The Picchi Family Trust now desires to assign all of its interest in the lease to Michael J. Oakes. An assignment of the Lease requires the written consent of the County. This action authorizes (1) consent to the assignment, (2) the execution of an amended and restated lease, and (3) the execution of an estoppel certificate and consent to encumbrance.

The Lease has certain terms that are inconsistent with the terms of other airport leases. The proposed amended and restated lease will modify various provisions, such as those relating to the use of the premises, the rent and other additional rent, the type of operations permitted, and the property maintenance requirements. The amended and restated lease will also include current County and FAA standard language that will make the terms of the Lease consistent with the terms of other corporate and specialty aviation service leases that are in effect at the Buchanan Field and Byron Airports. The amended and restated lease will also extend the term of the lease and includes a lease extension payment and facility improvement requirements.

The Lease permits the Tenant to borrow money for the improvements and to secure the loan with a leasehold mortgage, provided only leasehold mortgage is outstanding at any time. The Tenant desires to secure a loan from Scott Valley Bank and has requested the County’s consent.

CONSEQUENCE OF NEGATIVE ACTION:

The Picchi Family Trust will not be able to assign its interest in the Lease, the Lease will not be amended and it will continue to have provisions that are not consistent with those of other comparable leases, and if the County fails to grant its consent, the Bank may not be willing to complete the refinancing, jeopardizing the Tenant’s ability to meet its obligations under the lease.

ATTACHMENTS

Amended & Restated Lease Agreement-Michael Oakes
Estoppel Cert & Consent to Encumbrance