



Contra
Costa
County

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: July 11, 2017

Subject: Approve Nondisturbance & Attornment Agrmt between County, TGF #201, & Enterprise Rent-A-Car Co of SF, for approx 42,200 sq ft Bldg at 1235 Concord Av

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Director of Airports, or his designee, to execute on behalf of the County a Nondisturbance and Attornment Agreement between the County, as the master landlord, the County's tenant, TGF #201, and the new subtenant, Enterprise Rent-A-Car Co of San Francisco, LLC.

FISCAL IMPACT:

The master lease will remain in effect, generating lease and other revenues for the Airport Enterprise Fund. Because the property that is the subject of the master lease is currently vacant, a sublease between TGF #201 and Enterprise Rent-A-Car will increase sales tax revenues from the property.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **07/11/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, 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: July 11, 2017

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

By: Stacey M. Boyd, Deputy

Contact: Beth Lee, (925)
681-4200

cc:

BACKGROUND:

The County and Reynolds & Brown, Inc. are parties to a ground lease dated January 7, 1992 (the Master Lease), under which the County leased unimproved real property to Reynolds & Brown, Inc. for retail development on property that is part of Buchanan Field Airport. As part of its development, the property was subdivided into three parcels (Parcel A, Parcel B, and Parcel C). Reynolds & Brown developed the entire property for retail use and entered into subleases for each of the three parcels. Parcel C has been vacant since Sports Authority went out of business.

TGF #201 (TGF) is the successor in interest to Reynolds & Brown, Inc. Under the terms of the Master Lease, (i) TGF has the absolute right to sublease the property, and (ii) the subtenant has the right to request a nondisturbance and attornment agreement (NDA) from the County. TGF and Enterprise Rent-A-Car of San Francisco, LLC (Enterprise) have negotiated the terms of a sublease of Parcel C to Enterprise. The sublease is contingent upon the County entering into an NDA with TGF and Enterprise. Under the NDA, if the Master Lease is terminated for any reason while the sublease is in effect, the County is agreeing to “step into the shoes” of TGF (becoming the landlord under the sublease) and Enterprise is agreeing to treat the County as its landlord. Under the NDA, the County is also consenting to the sublease between TGF and Enterprise. The County has entered into similar NDAs under previous subleases.

This action authorizes the execution of the NDA. This action does not amend or alter the terms of the Master Lease.

CONSEQUENCE OF NEGATIVE ACTION:

If the County fails to enter into the NDA, Enterprise will probably not enter into the sublease for Parcel C. Parcel C will remain vacant until TGF can negotiate a sublease with a new subtenant.

ATTACHMENTS

Enterprise.TFG201.NDAFinal

Enterprise.TFG201SubleaseFinal