



Contra
Costa
County

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: December 19, 2017

Subject: APPROVE AND AUTHORIZE SECOND AMENDMENT TO AMENDED AND RESTATED LEASE
WITH PACIFIC STATES AVIATION, INC.

RECOMMENDATION(S):

APPROVE and **AUTHORIZE** the Director of Airports, or designee, to **EXECUTE**, on behalf of the County, a lease amendment between the County, as lessor, and Pacific States Aviation, Inc., as tenant. Pacheco Area (District IV).

FISCAL IMPACT:

There is no negative impact on the General Fund. The proposed amendment will increase the size of the premises, which will increase monthly rent paid to the Airport Enterprise Fund by \$4,932. The proposed amendment will also increase the property, sales and possessory interest tax revenues paid to the General Fund under this lease.

BACKGROUND:

The existing lease between the County and Pacific States Aviation, Inc. (PSA) dates back to February 28, 2006. The address of the currently leased premises is 51 John Glenn

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **12/19/2017** ☒ 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: December 19, 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: (CONT'D)

Drive, which is located at Buchanan Field Airport (Site 1). Site 1 consists of approximately 5.9 acres. Under the lease, PSA provides a full-service fixed-base operation at the site.

Under the proposed amendment, the leased premises will be expanded to include approximately 3.58 acres of additional space located at Buchanan Field at 101 John Glenn Drive (Site 2). Site 2, which is adjacent to Site 1, has an approximately 50-year old building with three hangar bays and office space. PSA currently rents the majority of the office space at Site 2 for its flight training academy. The rest of the office space and one of the hangars are rented by the County to five different tenants under license agreements. Two of the three hangar bays (one with adjoining office space) are vacant.

The County has owned and managed Site 2 since October 2014, when the former tenant's lease ended. In June 2017, PSA wrote to the County asking that the County consider a long-term lease of Site 2 to PSA. In response, Airport staff conducted a competitive solicitation process for the long-term use of Site 2 and received two complete proposals. On October 24, 2017, the Board authorized staff to negotiate a lease with the one of the two parties that submitted a proposal in priority ranked order. PSA was the top-ranked party in the solicitation process.

This lease amendment will provide PSA with additional office, hangar, and ramp space. The added space will enable Pacific States Aviation, Inc. to expand its flight school, other general aviation, and aviation-related services. All services provided are consistent with the Airport Master Plan for Buchanan Field Airport.

The existing license agreements between the County and the other tenants of Site 2 will be terminated. It is anticipated that those tenants will remain at their current locations, under sublease agreements with PSA.

CONSEQUENCE OF NEGATIVE ACTION:

Delay in approving the lease amendment will preclude the expansion of general aviation aircraft facilities and services plus it will negatively impact the Airport Enterprise Fund and County General Fund.

ATTACHMENTS

Amendment