



Contra
Costa
County

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: April 10, 2018

Subject: Approve CCR Bus. Park Project & take related actions under CEQA; Authorize execute of 50-yr lease w/Montecito Comm. Group LLC approx. 3.2 acres at CCR

RECOMMENDATION(S):

A. APPROVE the Buchanan Feld Airport Business Park Project [Project No. WL0075, DP1603049] DCD-CP# 17-37 (District 4), and,

B. FIND, on the basis of the whole record, including the proposed Initial Study/Mitigated Negative Declaration and any comments received and staff responses thereto, that there is no substantial evidence the Project may have significant effect on the environment, and that the Mitigated Negative Declaration reflects the independent judgment and analysis of the lead agency, Contra Costa County (County).

C. ADOPT the Mitigated Negative Declaration and Mitigation and Monitoring Reporting Program for the Project in compliance with the California Environmental Quality Act (CEQA), pursuant to Article 6, Section 15070(a), (the custodian of which is the Department of Conservation and Development Director who is located at 30 Muir Road, Martinez, CA), and,

D. DIRECT the Director of Conservation and Development to file a Notice of Determination with the County Clerk, and,

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **04/10/2018** ☒ 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: Diane Burgis, 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: April 10, 2018

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

By: June McHuen, Deputy

Contact: Beth Lee, (925)
681-4200

cc:

RECOMMENDATION(S): (CONT'D)

E. **AUTHORIZE** the Director of Airports, or designee, to arrange for payment of \$2,280.75 to the California Department of Fish and Wildlife fees and a \$50 fee to the County Clerk for filing the Notice of Determination,

F. APPROVE and **AUTHORIZE** the Director of Airports, or designee, to execute a 50-year ground lease between the County, as lessor, and Montecito Commercial Group LLC, as tenant, for the lease of approximately 3.21 acres of land located on the northwest corner of Marsh Drive and Sally Ride Drive at the Buchanan Field Airport (the “Lease”)

FISCAL IMPACT:

There is no negative impact on the General Fund. The Airport Enterprise Fund will receive lease and other revenues and the County General Fund will receive property, sales and possessory interest tax revenues from this development. Upon completion of the construction rent period (at \$1,000 per month), the ground rent will begin at \$4,247.08 per month (or \$50,964.96 per year) and increase annually by a CPI inflator. Every 10 years the lease will be revalued based on a market revaluation process.

BACKGROUND:

The site of the Buchanan Field industrial business park development consists of approximately 3.21 acres of land owned by the County that is located on the northeast corner of Marsh Drive and Sally Ride Drive on the west side of Buchanan Field Airport. The parcel is designated for non-aviation use on the Buchanan Field Master Plan. This parcel is located entirely within the unincorporated County.

On December 8, 2015, the Contra Costa County Public Works – Airports Division received a letter of interest from a private party to develop an industrial business park on the approximate 3.21-acre parcel.

In accordance with prior discussions with the Federal Aviation Administration’s (FAA) Airports District Office (ADO) regarding development at Buchanan Field, the County notified existing commercial tenants at Buchanan Field and Byron to solicit other competitive interest in the property. The development solicitation letter and publication provided for a competitive interest response deadline of January 14, 2016. The County did not receive any additional letters of interest to develop this property.

On March 29, 2016, the Board of Supervisors authorized staff to negotiate a ground lease for this project. This action was consistent with the master developer selection process that was approved by the Board of Supervisors on May 23, 2006, whereby projects without a competitive interest are to proceed with the traditional environmental review and lease development processes.

County staff has negotiated lease and development terms with Montecito Commercial Group LLC and the project is ready to proceed to implementation. This development

project has been presented and discussed with the Aviation Advisory Committee and the Airport Committee during the environmental and lease process.

Development of this 3.21-acre vacant parcel for business park use would expand economic development activity at Buchanan Field Airport. The lease will provide significant revenue to the Airport Enterprise Fund and County General Fund. The lease is comparable to other executed leases and is consistent with the Airport Master Plan and County General Plan. This development will also facilitate the growth and development identified in the adopted Buchanan Field Airport Master Plan.

Unless and until a final lease agreement is fully executed by all parties, this Board Order, any draft lease agreement, other communications or conduct of the parties shall have absolutely no legal effect, may not be used to impose any legally binding obligation on the County and may not be used as evidence of any oral or implied agreement between the parties or as evidence of the terms and conditions of any implied agreement.

A copy of the Lease signed by the Tenant is attached.

CONSEQUENCE OF NEGATIVE ACTION:

The County General Fund and the Airport Enterprise Fund would not realize the additional revenues. The County-owned land would remain vacant, which could negatively impact build out of the airport as detailed in the Master Plan.

ATTACHMENTS

Montecito Lease Agreement

Exhibit A - Legal Description

Exhibit B - Site Plan

Exhibit C - Mitigated Negative Declaration

Exhibit D - Form of Rental Agreement

Exhibit E - Form of Consent to Rental Agreement

Exhibit F - Form of Performance Bond

Comment Letters