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Contra Costa County

To: Board of Supervisors

From: Keith Freitas, Airports Director

Date: October 23, 2018

Subject: Approval of Long-Term Lease with Calstar Air Medical Services, LLC for Property Located at 5005 Marsh

Dr at Buchanan Field Airport, Pacheco Area

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

APPROVE and AUTHORIZE the Director of Airports, or designee, to execute a 15-year lease with Calstar Air Medical Services, LLC, as Tenant, for approximately 0.46 acres located at 5005 Marsh Drive, Concord, which is on the northeast side of Buchanan Field Airport. (100% Airport Enterprise Fund)

#### **FISCAL IMPACT:**

There is no negative impact on the General Fund. The Airport Enterprise Fund will receive lease and other revenue and the County General Fund will receive property, sales and possessory interest tax revenues from this development. The ground rent will begin at \$7,600 per month (or \$91,200 per year) and increase annually by the CPI inflator.

#### **BACKGROUND:**

This lease between Contra Costa County and Calstar Air Medical Services, LLC, supersedes and replaces an existing lease between Contra Costa County and Mediplane, Inc., dba Reach and Calstar, dated December 1, 2006. The lease has a three-year term that begins October

<b>✓</b> APPROVE	OTHER
■ RECOMMENDATION OF CNTY ADMINISTRATOR	
Action of Board On: 10/23/2018 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: October 23, 2018  David Twa, County Administrator and Clerk of the Board of Supervisors  By: Stacey M. Boyd, Deputy
Contact: Beth Lee, (925)	

cc:

681-4200

## **BACKGROUND: (CONT'D)**

2018 and expires in 2021. The tenant has the right to request twelve additional one-year extensions of the original term, which the County may deny in its sole discretion. Like the existing lease, the new lease will permit the tenant to operate a medical air transportation business at Buchanan Field Airport. This new lease will permit those necessary services to continue until 2021 with potential lease extension opportunities to 2033. This general aviation focus is consistent with the policies identified within the Buchanan Field Airport Master Plan. Further, the lease will provide rental and sales tax revenue to the Airport Enterprise Fund and County General Fund.

# **CONSEQUENCE OF NEGATIVE ACTION:**

Delay in approving the project could result in an interruption of necessary medical air transport services for the County and surrounding areas. Further, a delay negatively impacts general aviation aircraft facilities, services, Airport demand needs and the Airport Enterprise Fund and County General Fund.