



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 6/3/2025

To: Board of Supervisors

Department or Agency Name(s): Sonoma County Public Infrastructure

Staff Name and Phone Number: Johannes J. Hoevertsz, 707-565-2550

Vote Requirement: 4/5th

Supervisory District(s): Countywide

Title:

Charles M. Schulz - Sonoma County Airport First Lease Amendment for the Tap and Pour Restaurant

Recommended Action:

Authorize the Airport Manager to execute the First Amendment to the Commercial Operator Lease Agreement with SSP America, LLC, the owner of the Tap and Pour Restaurant, located at the Charles M. Schulz-Sonoma County Airport Terminal Building, 2200 Airport Blvd., Santa Rosa, CA.

Executive Summary:

In December 2022, Sonoma County entered into a 10-year lease agreement for a portion of real property at the Charles M. Schulz-Sonoma County Airport to establish a pre-security restaurant serving the traveling public. The restaurant, *Flying Ace* (Formerly Tap and Pour), is located in the main terminal at 2200 Airport Boulevard, Suite 143, Santa Rosa, California. The lease included an estimated \$1,000,000 initial investment from the Operator for necessary repairs and upgrades.

This First Amendment authorizes the Airport Manager to extend the lease term by an additional five (5) years to support the tenant's further investment of approximately \$500,000 for unanticipated repairs and operating costs.

Discussion:

Tap and Pour Restaurant has been a tenant at the Charles M. Schulz - Sonoma County Airport since January 2023. The tenant was selected after a competitive request for proposal process seeking the best service and lease terms to provide food and beverage service Airport users and customers from the surrounding area. The restaurant is located in the main terminal building and provides service both indoors and on its outdoor patio.

According to terms of the lease, signed in December 2022, the tenant accepted the premises in an as-is condition and agreed to pay the full cost of any, and all tenant improvements. At that time, the Operator estimated an initial investment of approximately \$1,000,000 for construction, upgrades, and repairs. Per lease terms, the restaurant was required to remain open to the public during construction. During the build-out, the Operator encountered several unanticipated and previously unknown repair issues, resulting in an additional \$500,000 in construction costs. This brought the total capital investment to approximately \$1.5 million. The County will take ownership of the permanent improvements to the real property at the end of the lease term.

The original 10-year lease term was aligned with the Operator's expectation of recovering their initial \$1 million investment. With the unexpected additional costs, the Operator has expressed concern about their ability to achieve the anticipated return on investment. As a result, they have requested a five-year lease extension. This First Amendment would extend the total lease term to 15 years, allowing the Operator additional time to recover their increased investment.

The Board of Supervisors has the authority to enter into lease and concession agreements for real property held for airport purposes without following otherwise applicable formal bidding procedures pursuant to Government Code § 25536. A competitive process, as described above, was held to ensure best value for airport users and to comply with Federal Aviation Administration requirements to ensure fair access to potential airport users. Staff recommends approval of the amendment to support this vital Airport concession, preserve continuity of service to the traveling public, and align the lease term with the updated financial investment by the lessee.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Organizational Excellence

Goal: Goal 1: Strengthen operational effectiveness, fiscal reliability, and accountability

Objective: Objective 3: Establish expectations and performance measures for customer service for all County departments.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

12/6/2022 -

1. Approve and authorize the Charles M. Schulz - Sonoma County Airport Manager to execute pre-security restaurant and post-security wine/beer bar lease with SSP America.
2. Approve and authorize the Charles M. Schulz - Sonoma County Airport Manager to amend the pre-security restaurant and post-security wine/beer bar lease with SSP America, as needed, during the term of the lease.

FISCAL SUMMARY

Agenda Date: 6/3/2025

Narrative Explanation of Fiscal Impacts:

There is no direct fiscal impact as a result of this Board Item. The lessee has incurred all expenses for tenant improvements to the premise and assumed the related investment risk. Rental revenues associated with this lease agreement are included in the Non-Aero (41301-34030102) annual Recommended Budget for the Airport.

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

First Amendment

Related Items "On File" with the Clerk of the Board:

None.