



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 6/2/2026

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

Supervisorial District(s): Countywide

Title:

Charles M. Schulz - Sonoma County Airport Agreement for Lease of Real Property

Recommended Action:

Approve and authorize Director of Public Infrastructure to execute a lease agreement with F. Korbel & Bros, Inc. for a term of 25 years.

Executive Summary:

Approval of this item will authorize a new twenty-five (25) year ground lease with F. Korbel & Bros., Inc. at the Charles M. Schulz-Sonoma County Airport. Korbel's existing lease expires June 4, 2026, and the proposed agreement will ensure the continued operation of its corporate aviation base at the Airport.

The lease encompasses approximately 0.86 acres (37,477 square feet) on Apron E and includes the purchase of an approximately 11,390 square foot hangar. Year one rent has been established based on published rates and charges, and the hangar purchase price has been determined by an independent third-party appraisal to establish fair market value for the hangar improvements.

The proposed long-term lease provides stability for Korbel's corporate flight operations while ensuring the Airport receives market-based compensation for the use of Airport property.

Discussion:

F. Korbel & Bros., Inc. has operated its corporate aviation fleet at the Charles M. Schulz-Sonoma County Airport since 2001. The existing ground lease expires on June 4, 2026. Approval of a new lease will ensure continuity of Korbel's operations and maintain a high-quality tenant at the Airport.

Under the current lease, the arrangement is structured as a ground lease, with the improvements constructed by Korbel during the lease term reverting to the Airport upon expiration. In negotiating the new lease, Korbel elected to lease the underlying land and purchase the existing improvements rather than lease both the improvements and the ground. This structure provides the Airport with fair market value for the hangar, as well as long-term ground rent.

The proposed lease will commence on June 5, 2026, with first-year ground rent of \$22,486.20 derived from Board-approved Airport rates and charges. Ground rent will increase annually pursuant to the lease terms. The

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fair market value and sale price of the hangar were determined by an independent appraisal at \$1,650,000, to be paid to the Airport upon commencement of the lease. Korbel will be responsible for all maintenance, utilities, and operational costs associated with the premises throughout the term of the lease.

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 1: Align the Board of Supervisor's strategic priorities, policy, and operational goals with funding and resources.

Racial Equity:

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

No

Prior Board Actions:

6/5/2001 - #01-0682 Resolution adopting negative declaration and mitigation monitoring program and approving an amendment to the Sonoma Airport Master Plan; authorizing the Chairman to sign a ground lease with Korbel; authorizing construction of hangers; and directing the filing of a notice of determination.

FISCAL SUMMARY

Expenditures	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$1,651,873.85	\$23,310.65	\$24,243.16
Use of Fund Balance			
General Fund Contingencies			
Total Sources	\$1,651,873.85	\$23,310.65	\$24,243.16

Narrative Explanation of Fiscal Impacts:

Revenue from hanger sale and one month of rent are included in the FY 2025-26 Airport Operations (41301-34030101) budget, and monthly ground lease revenue for FY 2026-27 and

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beyond will be included in Airport Operations Recommended Budgets.

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Lease Agreement

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

None.