



Legislation Text

File #: 2020-0339, **Version:** 1

To: Board of Supervisors

Department or Agency Name(s): Transportation and Public Works

Staff Name and Phone Number: Johannes J. Hoevertsz 707-565-2231

Vote Requirement: 4/5th

Supervisory District(s): All

Title:

Lease between the Charles M. Schulz - Sonoma County Airport and Propjet 210 Aviation, Inc.

Recommended Action:

- A) Authorize the Charles M. Schulz - Sonoma County Airport Manager to execute a ground lease between Sonoma County and Propjet 210 Aviation, Inc.
- B) Delegate to the Sonoma County Director of Transportation and Public Works and the Charles M. Schulz Airport Manager the authority to amend said ground lease for transfers, sub-leasing and administrative changes during its term.

(4/5th Vote Required)

Executive Summary:

Transportation and Public Works (TPW) is requesting authorization to execute a ground lease with Propjet 210 Aviation, Inc. TPW is also requesting to delegate authority to the Director of TPW and the Airport Manager to authorize amendments for transfers, sub-leases, and administrative costs associated with the ground lease.

Discussion:

The Charles M. Schulz - Sonoma County Airport (Airport) derives funding, in part through leasing of Airport assets. The terms of a new long-term lease have been negotiated for Airport property, known as 5816 Windsor Road, to an existing aeronautical operator and the lease is ready for approval and execution. This lease will provide income in the amount of \$34,250 for the first year of the lease.

Tenant: PropJet 210 Aviation, Inc. (PropJet) is an established tenant at the Airport with over 40 years of experience in renovations and maintenance of specialized Cessna aircraft. Propjet is certified by the Federal Aviation Administration (FAA) in aircraft mechanics, inspections and provides additional aeronautical services to the community.

PropJet has outgrown its current location and will move their operations to a larger site located on the west side of the Airport property. PropJet purchased a hangar on the site in 2007, however, the lease was delayed due to utility issues that Propjet has now resolved. PropJet will pay the Airport \$5,000 to finalize negotiations of the hangar and incorporate it into the lease. This payment will be made prior to the final execution of the lease.

Ground Lease: The lease commencement date will be June 1, 2020. The original lease term is fifteen years and

includes three each five-year options for a potential duration of thirty years. An additional investment to the leased premises is required before each of the options can be exercised. The lease provides for annual rent increases and two reset-to-market clauses that will provide revenue to the Airport and comply with FAA requirements. The leased premises are located at 5816 Windsor Road, on the west side of the Airport and are approximately 1.88 acres in size. PropJet anticipates adding an additional hangar to the leased premises and will submit plans to the Airport for approval prior to construction. Propjet stated during lease negotiations that they might transfer or sublease their leased premises during the term of the lease. A transfer or sublease will require an amendment to the lease.

Delegation of Authority: Airport leases, agreements and their subsequent amendments require the approval and execution by the Sonoma County Board of Supervisors. Authorizing the Director of TPW and the Airport Manager to amend this lease for routine transfers, sub-leasing and administrative changes will help reduce staff time. This delegated authority will not change the length of term, calculation of square foot rent, or other material provisions of the lease. The execution of this lease will provide the Airport with revenue to continue its operations and maintain an important locale for general aviation users.

Procedural Authority: Pursuant to Government Code section 25537.5, the Board of Supervisors 4/5 vote of the Board without further procedural requirements.

Prior Board Actions:

None.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		\$34,250	\$35,280
Use of Fund Balance			
Contingencies			
Total Sources		\$34,250	\$35,280

Narrative Explanation of Fiscal Impacts:

This lease will provide an annual revenue to the Airport of \$34,250 for FY20-21 and \$35,280 for FY21-22 and increasing annually thereafter.

Staffing Impacts:

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

None

Related Items “On File” with the Clerk of the Board:

PropJet 210 Aviation, Inc. Lease