



**COUNTY OF SAN LUIS OBISPO  
BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

|   |   |  |                      |
|---|---|--|----------------------|
| (1) DEPARTMENT<br>Airports  | (2) MEETING DATE<br>1/14/2020               | (3) CONTACT/PHONE<br>Kevin Bumen 805-781-5205  |                      |
| (4) SUBJECT<br>Request to approve an amendment for a three (3) year lease extension between West Coast Air Service, LLC and the County of San Luis Obispo for Lease Site J at the San Luis Obispo County Regional Airport by 4/5 vote. District 3.          |   |  |                      |
| (5) RECOMMENDED ACTION<br>It is recommended that the Board approve an amendment for a three (3) year lease extension between West Coast Air Service, LLC and the County of San Luis Obispo for Lease Site J at the San Luis Obispo County Regional Airport. |   |  |                      |
| (6) FUNDING SOURCE(S)   | (7) CURRENT YEAR FINANCIAL IMPACT<br>\$0.00 | (8) ANNUAL FINANCIAL IMPACT<br>\$35,228.40   | (9) BUDGETED?<br>yes |
| (10) AGENDA PLACEMENT<br><input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)                                     |   |  |                      |
| (11) EXECUTED DOCUMENTS<br><input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A  |   |  |                      |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)   |   | (13) BUDGET ADJUSTMENT REQUIRED?<br>BAR ID Number:<br><input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A |                      |
| (14) LOCATION MAP<br>Attached   | (15) BUSINESS IMPACT STATEMENT?             | (16) AGENDA ITEM HISTORY<br><input checked="" type="checkbox"/> N/A Date _____   |                      |
| (17) ADMINISTRATIVE OFFICE REVIEW<br>Courtney Pene  |   |  |                      |
| (18) SUPERVISOR DISTRICT(S)<br>District 3   |   |  |                      |



## COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Airports / Kevin Bumen 805-781-5205

DATE: 1/14/2020

SUBJECT: Request to approve an amendment for a three (3) year lease extension between West Coast Air Service, LLC. and the County of San Luis Obispo for Lease Site J at the San Luis Obispo County Regional Airport by 4/5 vote. District 3.

### **RECOMMENDATION**

It is recommended that the Board approve an amendment for a three (3) year lease extension between West Coast Air Service, LLC. and the County of San Luis Obispo for Lease Site J at the San Luis Obispo County Regional Airport.

### **DISCUSSION**

Site J is located on the north east side of the San Luis Obispo County Regional Airport. The site is approximately 2.13 acres of improved property consisting of hangars and paved asphalt hangar apron and aircraft parking.

In July of 1970, Site J was leased from the County for the purposes of aircraft storage, flight instruction, and aircraft maintenance and charter operations.

In January of 1977 the lease was assigned to West Coast Air Service.

In April 1999, the County entered into a new lease agreement with Barbara Cooper-Ferrini, doing business as West Coast Air Service a sole proprietorship, for Site J.

On September 9, 2014, the lease was amended to Consent to Assignment and Assumption to West Coast Air Service LLC., a California Limited Liability Company, wholly owned by Barbara L. Cooper Living Trust, a Revocable Trust.

On January 24, 2017, the Board approved Amendment No. 1, which included:

- 1) An extension of the existing Agreement to December 31, 2019; and
- 2) Updated and adjusted rental rate (the rate established by 2012 appraisal for the County for its airport lease sites that allow aircraft specialty shop); and
- 3) Updated language prohibiting construction of any additional improvement on the lease site during the term

- of the amendment; and
- 4) Updated language pertaining to Airport Security.

The current lease agreement ended December 31, 2019.

Amendment No. 2 will:

- 1) Extend the existing Agreement until December 31, 2022; and
- 2) Update Rental Language to include a rental adjustment upon completion of (at the County's own expense) rental rate appraisals for Airport premises, including Site J; and
- 3) Re-establish language prohibiting construction of any additional improvements on the lease site during the term of the amendment.

Additionally, due insufficient separation of Site J from the main runway, which deviates from Federal Aviation Administration (FAA) airport design standards, a modification to standards was granted by the FAA. It is Airport Management's intent, by the 12/31/2022 expiration date of this proposed three (3) year extension, to explore various options related to the future of this site and the adjacent site K. Any changes must comply with FAA design standards and will likely require the removal of some or all of the improvements.

Also affected by this modification to standards is the neighboring lease site, Site K, whose lease also expired December 31, 2019. The Department of Airports is submitting a similar request for Site K under a separate Board Item.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has reviewed the amendment for form and legal effect.

#### **FINANCIAL CONSIDERATIONS**

During the amended term to this Agreement the County will perform, at the County's own expense, rental rate appraisals for Airport premises including Site J. Once the appraisals are completed the lease will be automatically amended and the annual rent adjusted by any action of the Board of Supervisors to adopt the rental fee structure as developed in the appraisals.

The annual lease revenue from Site J is \$35,228.40 which contributes directly to the enterprise fund.

#### **RESULTS**

The approval of this amendment provides continuation of the existing lease agreement while improving the revenue stream to the Airport Enterprise Fund, overall contributing to the County's desired community wide result of a "Prosperous Community." In addition, it provides a timeline whereby the County will be able make corrections to comply with FAA safety standards.

#### **ATTACHMENTS**

1. Site J Amendment No. 2
2. Site J and K Vicinity Map

