



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

(1) DEPARTMENT Airports	(2) MEETING DATE 1/14/2020	(3) CONTACT/PHONE Kevin Bumen 805-781-5205	
(4) SUBJECT Request to approve an amendment for a three (3) year lease extension between Robert and Cheryl Baker Trust and the County of San Luis Obispo for Lease Site K at the San Luis Obispo County Regional Airport, by 4/5 vote. District 3			
(5) RECOMMENDED ACTION It is recommended that the Board approve an amendment for a three (3) year lease extension between Robert and Cheryl Baker Trust and the County of San Luis Obispo for Lease Site K at the San Luis Obispo County Regional Airport.			
(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$22,111.02	(9) BUDGETED? yes
(10) AGENDA PLACEMENT <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 <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? BAR ID Number: <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT?	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Courtney Pene			
(18) SUPERVISOR DISTRICT(S) 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 Robert and Cheryl Baker Trust and the County of San Luis Obispo for Lease Site K 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 Robert and Cheryl Baker Trust and the County of San Luis Obispo for Lease Site K at the San Luis Obispo County Regional Airport.

DISCUSSION

Lease Site K is located on the north east side of the airport and consists of 16 aircraft storage hangars and asphalt paving on approximately 1.3 acres.

The County originally entered into a lease for Site K with Robert Baker doing business as West Coast Inc, of Nevada in January 1971. Over the next 16 years several amendments were approved by the Board.

On December 15, 1987 the County entered into a new 23-year lease with Robert Baker replacing the original lease and subsequent amendments. This new lease was later modified by assigning the lease to Robert R. Baker and Cheryl Baker, Trustees of Robert and Cheryl Baker Trust in November 1998.

On December 14, 2010, the Board approved Amendment No. 1, an extension of the existing Agreement, to December 31, 2016. Other provisions were addressed in the Amendment including the prohibition of construction of any additional improvements at the lease site and language was updated to reflect changes to federal security requirements.

On January 24, 2017, the Board approved Amendment No. 2, an extension of the existing Agreement, to December 31, 2019.

The current lease agreement ended December 31, 2019.

Amendment No. 3 will:

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

Due to insufficient separation of Site K 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 the proposed three (3) year extension, to explore various options related to the future of this site and the adjacent Site J. 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 J, whose lease also expires December 31, 2019. The Department of Airports is submitting a similar request for Site J 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 K. 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 K totals \$22,111.02, which directly contributes to the enterprise fund.

RESULTS

Approval of the Amendment No. 3 will allow continued use of existing general aviation facilities; improve the revenue stream to the Airport Enterprise Fund as well as provide a timeline whereby the County will be able make corrections to comply with FAA safety standards.

ATTACHMENTS

1. Site K Amendment No. 3
2. Vicinity Map Sites J and K