

GILLESPIE FIELD DEVELOPMENT COUNCIL
July 17, 2012

AGENDA ITEM #6

Proposed Amendments to Aviation Leases
Wayne E. Breise and Sky Harbor Hangars to Accommodate Access Road

On June 20, 2012, the Board authorized the Airport to advertise and award a construction contract for building a new access road at Gillespie Field. The access road, also known as a perimeter road, will relieve the taxiways from numerous daily ground vehicle movements and will improve flight safety by allowing ATCT staff to focus on the movement of aircraft. In order to proceed with construction of the access road as planned, minor modifications are needed to two leasehold areas as described below.

The access road project is scheduled for construction beginning in October 2012. Therefore, the effective date of the Amendments would be October 1, 2012. All terms in the existing Leases, other than those described below, will remain unchanged.

Wayne E. Breise - Proposed Fourth Amendment

Wayne E. Breise, a Sole Proprietorship, currently leases approximately 11.104 acres of aviation land along Marshall Avenue with a lease expiration date of January 31, 2033. The leasehold improvements include aviation hangars and tie-downs, numerous aircraft maintenance facilities and businesses, flight schools, the only self-serve fuel island and on-airport café, and other aviation-related businesses.

This is a proposal to amend the Wayne E. Breise Lease in order to reduce the Premises area from 11.104 acres to 11.02 acres (or by approximately 3,660 square feet). The Monthly Rent will be adjusted proportionately in accordance with the existing rate schedule for Gillespie Field Aviation Leases as follows:

<u>Rent Starting</u>	<u>Current Monthly Rent (11.104 acres)</u>	<u>Proposed Rent (11.02 acres)</u>	<u>Current and Proposed Rent per Acre/Month</u>
Dec-2011	\$ 7,996.10	---	\$720.11
Oct-2012	\$ 7,996.10	\$7,935.61	\$720.11
Dec-2012	\$ 8,684.10	\$8,618.41	\$782.07
Dec-2013	\$ 9,372.10	\$9,301.20	\$844.03
Dec-2014	\$10,414.98	\$10,336.19	\$937.95
Dec-2015	\$10,971.40	\$10,888.40	\$988.06
Dec-2016	\$11,508.50	\$11,421.44	\$1036.43
Dec-2017	\$12,045.60	\$11,954.48	\$1084.80
Dec-2018	\$12,564.60	\$12,469.55	\$1131.54
Dec-2019	Renegotiation	---	---

Sky Harbor Hangars - Proposed First Amendment

Sky Harbor Hangars, a general partnership, currently leases approximately 11.14 acres of aviation land, improved with aircraft storage hangars and helipads, located along Kenney Street with a lease expiration date of July 31, 2020.

This is a proposal to amend the Sky Harbor Hangars Lease in order to reduce the Premises area from 11.14 acres to 10.917 acres (or by approximately 9,714 square feet) and to adjust Base Monthly Rent as follows:

<u>Rent Starting</u>	<u>Current Monthly Rent (11.14 acres)</u>	<u>Proposed Rent (10.917 acres)</u>	<u>Current and Proposed Rent per Acre/Month</u>
Dec-2011	\$ 8,076.50	---	\$725.00
Oct-2012	\$ 8,076.50	\$7,914.83	\$725.00
Dec-2012	\$ 8,912.00	\$8,733.60	\$800.00
Dec-2013	\$ 9,747.50	\$9,552.38	\$875.00
Dec-2014	\$11,084.30	\$10,862.42	\$995.00
Dec-2015	\$11,697.00	\$11,462.85	\$1,050.00
Dec-2016	\$12,254.00	\$12,008.70	\$1,100.00
Dec-2017	\$12,811.00	\$12,554.55	\$1,150.00
Dec-2018	\$13,368.00	\$13,100.40	\$1,200.00
Dec-2019	Renegotiation	---	---

RECOMMENDED MOTION

“Gillespie Field Development Council recommends the Board of Supervisors approve the proposed Fourth Amendment to Aviation Lease with Wayne E. Breise, a sole proprietorship (County Contract Number 71999R) and the proposed First Amendment to Aviation Lease with Sky Harbor Hangars, a general partnership (County Contract Number 503284), as recommended by staff.”