

GILLESPIE FIELD DEVELOPMENT COUNCIL

January 22, 2014

AGENDA ITEM #5

Proposed Second Amendment to Aviation Lease
Volar Corporation D.B.A. Golden State Aviation

BACKGROUND

On March 21, 2007 (8), the County Board of Supervisors (“Board”) approved a new 15-year aviation lease with Volar Corporation D.B.A. Golden State Aviation (“Golden State”). This lease has been amended one time to revise rent and to add lease provisions regarding maneuver areas and potential Ketema Plume impacts.

Golden State currently leases approximately 1.2 acres of aviation land at the corner of Bradley Avenue and North Johnson Avenue with a lease expiration date of February 28, 2022, plus one five-year mutual term option. The leasehold improvements include one building housing offices, flight training facilities, and a maintenance hangar. This leasehold also has tie-downs to accommodate small general aviation aircraft.

This is a proposal to amend the Golden State Aviation lease to extend term by 5 years, to define the related equity payment and capital investment requirements, and to revise outdated lease language.

PROPOSED SECOND AMENDMENT

Effective Date – The effective date of this amendment would be May 1, 2014.

Term – Lease Term would be extended by 5 years, to February 28, 2027.

Rent – Rent would be unchanged by this amendment and would remain on the rent schedule previously recommended by GFDC and approved by the BOS, in which it is being phased up to market value based on independent appraisal.

Capital Investment - Golden State would have one-hundred eighty (180) days to complete additional Required Improvements on the Premises, at a minimum cost of Thirty Thousand Dollars (\$30,000).

Equity Payment - Golden State would pay to County a total equity balance payment of approximately \$101,890 within 6 months (\$78,850.94 existing equity balance at May 1, plus \$23,039 additional equity for 5-year term extension).

Administrative Changes – The amendment would also update the name and address for County Lease Administrator, the mailing address for delivery of rent payments, and language regarding the appraisal processes set forth in the lease.

RECOMMENDED MOTION

“Gillespie Field Development Council recommends the Board of Supervisors approve the proposed Second Amendment to Aviation Lease with Volar Corporation D.B.A. Golden State Aviation (County Contract Number 120781), as recommended by staff.”