

GILLESPIE FIELD DEVELOPMENT COUNCIL
May 21, 2013

AGENDA ITEM #7

Proposed Amendment to Aviation Lease
McHone Gillespie Field, LLC to Accommodate Wing Avenue Flood Control Channel

On December 5, 2012, the Board authorized the Airport to advertise and award a construction contract to construct Wing Avenue flood control improvements in and near Gillespie Field. The flood control improvements will benefit the surrounding community by accommodating a 100-year storm event. The project will be funded by the Federal Emergency Management Agency (FEMA). Airports will receive some benefit from the project. In order to proceed with construction of the flood control as planned, minor modifications are needed to the leasehold area as described below. The flood control project is scheduled to start construction this summer.

McHone Gillespie Field, LLC currently leases approximately 6.20 acres of aviation land along Joe Crosson Drive with a lease expiration date of September 30, 2037. The leasehold improvements include aviation hangers and tie downs. A small area of the leasehold is needed to accommodate the flood control project. County and Mchone Gillespie have agreed to an amendment to the lease as described herein.

This is a proposal to amend the Mchone Gillespie Field, LLC Lease in order to reduce the Premises area from 6.20 acres to 6.15 acres (or by approximately 2,178 square feet). The effective date of the Amendment would be July 1, 2013. All terms in the existing Lease, other than those described below will remain unchanged.

The base Monthly Rent will be adjusted proportionately to reflect the decrease in premises. The adjustment will be in accordance with the existing rate schedule for Gillespie Field Aviation Leases as follows:

<u>Rent Starting</u>	<u>Current Monthly Rent (6.20 acres)</u>	<u>Proposed Rent (6.15 acres)</u>	<u>Total Rent Reduction for Time period</u>
Jul-2013	\$ 4,960.00	\$4,910.00	\$250.00
Dec-2013	\$ 5,425.00	\$5,371.00	\$648.00
Dec-2014	\$6,169.00	\$6,107.00	\$744.00
Dec-2015	\$6,510.00	\$6,445.00	\$780.00
Dec-2016	\$6,820.00	\$6,752.00	\$816.00
Dec-2017	\$7,130.00	\$7,059.00	\$852.00
Dec-2018	\$7,440.00	\$7,366.00	\$888.00
Dec-2019	Renegotiation	---	---

RECOMMENDED MOTION

“Gillespie Field Development Council recommends the Board of Supervisors approve the proposed Second Amendment to Aviation Lease with Mchone Gillespie Field, LLC (County Contract Number 122228) as recommended by staff.”