

GILLESPIE FIELD DEVELOPMENT COUNCIL

Thursday, November 18, 2020

AGENDA ITEM #7

Proposed Fourth Amendment to Aviation Lease with Mitre Aviation, L.P.
(County Contract Number 315005)



BACKGROUND

The County Board of Supervisors approved the aviation lease with Mitre Aviation L.P. (Mitre) which commenced on January 1, 2015 and expires on July 31, 2038. The lease was amended on September 12, 2018, December 10, 2019, and June 24, 2020.

Gillespie Field RWY 17/35 is currently classified by the FAA as BII runway. Certain improvements located on the Mitre leasehold encroach into the BII-required runway and taxiway safety setbacks. When the current lease was issued to Mitre, the lessee was required to demolish the encroaching improvements by July 31, 2018, unless the FAA reclassifies the runway. Awaiting the FAA decision on the runway reclassification, the Mitre lease was amended in 2018 by the 1st Amendment, to postpone the date of the required demolition to July 31, 2021. The demolition requirement will not apply if the FAA reclassifies RWY 17/35, which would adjust the safety setbacks. Although the decision from the FAA is expected in the near future, it is uncertain that such determination would precede the July 31, 2021 demolition due date set by the 1st Amendment.

PROPOSED LEASE AMENDMENT

To ensure compliance with the terms of the lease, Airports Real Property drafted an amendment postponing the required demolition date to July 31, 2024, at the lessee's request. The amendment provides three additional years to Mitre to demolish the encroaching improvements, if such demolition would be necessary, and updates the lease provisions related to compliance with laws, to incorporate the current standard lease language. All other terms of the lease will remain the same. This is a request for Gillespie Field Development Council to recommend the County Board of Supervisors approve the proposed Fourth Amendment to Aviation Lease with Mitre.

RECOMMENDED MOTION

"Gillespie Field Development Council recommends the Board of Supervisors approve the proposed Fourth Amendment to Aviation Lease with Mitre Aviation, L.P., as recommended by staff."