

GILLESPIE FIELD DEVELOPMENT COUNCIL  
September 17, 2014

AGENDA ITEM #7

Two Proposed New Aviation Leases to Mitre Aviation, L.P.  
and Safari Aviation of California, Inc.

BACKGROUND

Safari Aviation, a California Limited Partnership (“Safari Aviation”) currently leases approximately 9.96 acres of aviation land consisting of 4.73 acres on the west side of Runway 17/35 (referred to as the “West”) and 5.23 acres on the east side of Runway 17/35 (referred to as the “East”). The leasehold improvements include aviation hangars, tie downs and offices servicing the Gillespie Field aviation community.

On July 25, 2007 (13), the Board of Supervisors (“Board”) approved a new 30-year aviation lease with Safari Aviation. The lease commenced August 1, 2008 and will terminate July 31, 2038. This lease was amended on February 24, 2010 (12) to implement a tiered rental schedule consistent with other aviation leases at Gillespie Field.

Safari Aviation now desires to divide the existing leasehold into two new leaseholds, to accommodate the separation of the existing partners’ interests into two new entities. Each of the new leaseholds would be independently held and operated by one of these new business entities. New leases will allow the lease language to be updated to current standards, while allowing the existing partners to divide their interests in the current partnership.

PROPOSAL - A new aviation lease to Mitre Aviation, L.P. and a new aviation lease to Safari Aviation of California, Inc. to replace Safari Aviation, L.P., Contract No. 122752.

Item	Existing Lease 122752	Proposed “East” leasehold	Proposed “West” leasehold
Master Lessee	Safari Aviation, L.P.	Safari Aviation of California, Inc.	Mitre Aviation, L.P.
Premises Area	9.96 Acres	5.23 Acres	4.73 Acres
Term	23 years 7 months	23 years 7 months	23 years 7 months
January 1, 2015 Base Rent	\$9,910	\$5,204	\$4,706

**Commencement Date** – The commencement dates of both proposed new leases would be January 1, 2015.

**Premises Area** – The Premises would be divided per the table above with no change to the total acreage.

**Term** – The Lease Term of 23 years and 7 months for both proposed leaseholds would terminate on July 31, 2038, which is the same termination date as for the existing lease.

**Rent** – Rent would remain on the rent schedule previously recommended by GFDC and approved by the County Board of Supervisors for this leasehold on February 24, 2010 (12). Rent would be divided per the table above, with no change to the total rent revenue.

**Existing Subleases** – All subleases existing under the current Safari Aviation, L.P. Lease will continue under one of the two new leases, depending on their location on the premises.

**Administrative Changes** – The two new proposed leases are based on the current aviation lease language, with certain provisions of the existing Safari Aviation, L.P. lease incorporated. Administrative changes include, for example, the name and address for the County Lease Administrator, the mailing address for delivery of rent payments, and language regarding the appraisal process set forth in the lease. All changes have been approved by County Counsel.

#### **RECOMMENDED MOTION**

*“Gillespie Field Development Council recommends the Board of Supervisors approve a new 23-year 7-month lease with Mitre Aviation, L.P. and a new 23-year 7-month lease with Safari Aviation of California, Inc., as recommended by staff.”*