



# DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

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**SUBJECT:** Business Ground and Office Lease One-Month Rent Relief  
Gross Field Airport

Dear Board Members:

**RECOMENDATION:** Approve a one-month rent relief for aviation businesses at the Marin County Airport, Gness Field (Airport), as detailed in this staff report, to compensate for potential loss in business due to the extended runway closure from the runway reconstruction project.

**SUMMARY:** Through various communications over the years, Airport tenants have indicated they want the Airport runway pavement rehabilitated. The County has recently been successful in obtaining Federal Aviation Administration (FAA) grants for needed runway rehabilitation planning and design work. The design is now complete and a runway rehabilitation construction contract has been awarded. In order to perform the reconstruction, the runway is expected to be closed on or about October 4, 2017, and will remain closed for 32 days, subject to construction contract specifications.

The Airport is home to approximately 219 aircraft. The closure will inconvenience all of our Airport tenants, but those that have aircraft for their own use can choose to not fly during this period or move their aircraft temporarily to another airport. Airport ramp space is available at both Petaluma and Napa airports during the closure with fees at Petaluma at \$59 per month and at Napa, \$40 to \$60 per month.

However, Airport businesses providing aviation service cannot relocate and potentially could be impacted by the temporary runway closure. Staff is proposing one month of rent relief be provided to these businesses.

The following lists businesses at the Airport that hold office or hangar leases with the County and their total monthly rent (some rent multiple spaces):

- Accounting
- Airport
- Building Maintenance
- Capital Projects
- Certified Unified Program Agency (CUPA)
- Communications Maintenance
- County Garage
- Disability Access
- Engineering & Survey
- Flood Control & Water Resources
- Land Development
- Purchasing
- Real Estate
- Reprographic Services
- Road Maintenance
- Stormwater Program
- Transportation & Traffic Operations
- Waste Management

<u>Business</u>	<u>Monthly Rent</u>
Aero Club Marin (Ste. M, TD #310)	\$364
Direct Avionics (Ste. F)	\$436
John Ward Flight Training (Ste. I)	\$425
James Simon, MD (Ste. B)	\$210
Scanlon Aviation (Ste. C, H, E, & CMH)	\$4,889
BEMAC Properties	\$628
DT Fuel Group	\$ 45
Total	\$6,997

Note that BEMAC Properties subleases to the following tenants that do not have a lease relationship with the County: Sky Ranch Upholstery, TJ Neff Aircraft Sales, Skydive Golden Gate, and Spirit of St. Louis II.

There are also two businesses, Andres Amil III and Bright Works, that have Airport business permits, which pay one percent of their gross sales to the County, but have no lease or office space rented at the Airport (they work out of their vehicles). There would be no rent relief to these entities because do not pay rent to the County.

**CONCLUSION:** Staff recommends your Board provide rent relief to Airport businesses listed in this staff report with County leases for the October monthly rent. However, a tenant must be in good standing; any tenant in default is not entitled to rent relief. The rent relief will not impact any lease agreement term for rent adjustment by Consumer Price Index (CPI) otherwise entitled by the County or included in the lease agreement. No additional compensation is proposed at this time should the runway closure extend beyond the expected construction period by this action. In the longer term, a new runway will provide added value for all tenants and businesses at the Airport.

**FISCAL IMPACT:** The Airport maintenance, operations, and capital expenditures are budgeted at the County through a special Enterprise Fund, which is funded by Airport revenues through leases, rentals, fuel flow fees, and sales concessionaire fees. No County General Funds are used at the Airport. The proposed rent relief would result in an estimated one-time revenue reduction of \$6,997.00 for the Gness Field Airport Enterprise Fund in FY 2017-18.

<b>REVIEWED BY:</b>	<input checked="" type="checkbox"/>	County Administrator	<input type="checkbox"/>	N/A
	<input type="checkbox"/>	Department of Finance	<input checked="" type="checkbox"/>	N/A
	<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
	<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	N/A

Respectfully submitted,



Eric Steger  
Assistant Director

C: Humphrey Ogg, Aviation Commission Chair  
Roy Given, Director of Finance  
Dan Jensen, Airport Manager

