



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/17/2019

Agenda Placement: 6F

NAPA COUNTY BOARD OF SUPERVISORS

Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Airport

REPORT BY: Kathy Wagenknecht, Staff Services Analyst II - 259-8683

SUBJECT: Approval of a Lease Agreement Amendment with Yamaha Motor Corporation, USA

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign Amendment No. 2 to Lease Agreement No. 180217B with Yamaha Motor Corporation U.S.A., increasing the annual rental fee revenue by 3.9 percent from \$25,956 to \$26,964, and extending the term through June 30, 2020, with an option for an additional six (6) month term, for the continued leasing of space at 2000 Airport Road.

EXECUTIVE SUMMARY

Since January 1, 2018, through Lease Agreement No. 180217B, Yamaha Motor Corporation has leased approximately 1,907 sq. ft. of space within the northeast portion of 2000 Airport Road, to store and maintain its RMAX agricultural spray vehicles. This lease will expire on December 31, 2019. Staff requests Board approval of Amendment No. 2 to Lease Agreement No. 180217B increasing the monthly rental rate beginning January 1, 2020 by 3.9 percent from \$2,163 to \$2,247, to reflect the 2018 Annual Consumer Price Index (CPI) and to extend the term of the agreement through June 30, 2020 with an option to automatically renew for one (1) additional six (6) month term.

FISCAL & STRATEGIC PLAN IMPACT

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|-----------------------------------|--|
| Is there a Fiscal Impact? | Yes |
| Is it currently budgeted? | Yes |
| Where is it budgeted? | Airport Enterprise Fund - Fund 5010 Subdivision 50100-00 |
| Is it Mandatory or Discretionary? | Discretionary |

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| Discretionary Justification: | The Napa County Airport Enterprise Fund will receive rental income totaling \$26,964 during the proposed term of the amendment. |
| Is the general fund affected? | No |
| Future fiscal impact: | Continued revenue through June 30, 2020. |
| Consequences if not approved: | Not approving this amendment will result in the Airport Enterprise Fund not receiving the proposed revenue and require the tenant to relocate from the Airport. |
| County Strategic Plan pillar addressed: | Effective and Open Government |
| Additional Information: | |

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Prior to Yamaha's lease with the County, Yamaha subleased the approximately 1,907 sq. ft. of space from the International Airline Training Academy (IATA) since April 1, 2016 under County Agreement No. 8710, which began on October 1, 2014, and expired on December 31, 2017. IATA leased the entire 16.8 acres encompassing improvements located at 1950 and 2000 Airport Road. The Board of Supervisors subsequently approved Agreement No. A-180217B with Yamaha Motor Corporation to continue leasing this space. The Agreement was amended in December 2018 to extend through calendar year 2019 and Yamaha has now requested that the County continue their lease for the space through June 30, 2020, with an option to automatically renew the term an additional six (6) months through December 31, 2020.

Given the established timeline for the FBO RFP that contemplates the use of 2000 Airport Road for a potential second FBO operator during a pioneering period, and the small Yamaha footprint within the building for up to one year, staff does not foresee any conflicts between the two. Staff requests Board approval of Amendment No. 2 to Lease Agreement No. 180217B with Yamaha Motor Corporation U.S.A. increasing the monthly rental fee beginning January 1, 2020 by 3.9 percent from \$2,163 to \$2,247 for their continued use of space at 2000 Airport Road.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Mary Booher