A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/7/2019
Agenda Placement: 6N

NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO:	Board of Supervisors
FROM:	Steven Lederer - Director of Public Works Airport
REPORT BY:	Greg Baer, Airport Manager - x4665
SUBJECT:	Authorize the Airport Manager to Provide Consent of two Subleases at the Napa County Airport

RECOMMENDATION

Director of Public Works requests authorization for the Airport Manager to provide written consent to Lynx FBO Network for two subleases as allowed under their existing agreement with the County.

EXECUTIVE SUMMARY

Lynx FBO Network, the Airport's sole Fixed Based Operator (FBO) has formally requested to sublet portions of their existing leasehold to a car rental company (Go Rentals) and a small flight school operator (Mike Smith Aviation). Both of these uses are permitted under the operative lease agreement, and subletting is allowed with the express written consent of the County. Airport Management is supportive of both uses and each company comes highly recommended within the industry.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Airport Enterprise fund, 5010; Line items, 45600 (Royalties) and 46245 (Fuel Flowage Fees).
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Assignment and Subletting portion of Agreement 3371 requires written consent by the County for subletting activities which shall not be unreasonably

	withheld.
Is the general fund affected?	No
Future fiscal impact:	Although car rental and flight instruction have been services available at the Airport for many years, it is anticipated that both of these operators will have a larger presence at the Airport in comparison to the last 10-15 years. This expected increase in business will result in more fuel flow fees ($0.08/gallon) and royalty revenue for the Airport. As specified in Agreement 3371, the Airport receives monthly royalty payments that includes 3% of the FBO's commission on each rental car transaction, and 1% of the charges for aircraft rental and flight instruction.
Consequences if not approved:	If not approved, justification for withholding consent would need to be established and the expected near term increase in revenues would not be realized.
Additional Information:	

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Categorical Exemption Class 1: It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. [See Class 1 (“Existing Facilities”) which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15301; see also Napa County’s Local Procedures for Implementing the California Environmental Quality Act, Appendix B.]

BACKGROUND AND DISCUSSION

In June of 2018, Lynx FBO Network (Lynx) purchased the Napa Jet Center and assumed all existing obligations under the various agreements the County has executed for fixed based operations at the Napa County Airport. Lynx has submitted formal requests to the Airport Manager to sublet portions of their leasehold to Go Rentals, a rental car company, and Mike Smith Aviation, a small flight school operator. With approval of today's requested action, the Airport Manager is prepared to provide written consent to these requests.

Within section 17 of Napa County Agreement No. 3371, written consent by the County is required for all subletting activities, which shall not be unreasonably withheld. Lynx management provided pertinent company information as requested by Airport Management for both Go Rentals and Mike Smith Aviation. Using this information combined with reference checks, Airport Management found that both companies have performed well at other airports and come highly recommended within the industry.

Although car rental services and flight instruction have been offered for many years through the different FBO operators, it is anticipated that these new companies will focus more time and resources to increase business of the respective activities in Napa in comparison to the past 10-15 years.

Specific to flight school operations, this arrangement will allow Lynx to continue to meet, and now exceed the Airport's current Minimum Standards with respect to their obligation to operate a flight school. Having a robust flight school available to the greater Napa/Solano communities has been an initiative of Airport Management who is very supportive of Lynx's proposed subletting opportunity. The proposed arrangement would allow Mike Smith Aviation to operate the existing single-engine flight training aircraft owned by Lynx, as well as bring additional single and

light twin aircraft from their existing fleet accompanied by additional flight instructors.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Mary Booher