



Agenda Date: 6/5/2007
Agenda Placement: 6U

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Michael Stoltz for Robert Peterson - Director
Airport
REPORT BY: Kathleen Dubrin, Staff Services Analyst II , 259-8683
SUBJECT: Approval of Amendment No. 3 to Napa County Agreement No. 767 with Silverado Avionics, Inc.

RECOMMENDATION

Director of Public Works/Aviation requests approval of and authorization for the Chair to sign Amendment No. 3 to Napa County Agreement No. 767 with Silverado Avionics, Inc. increasing the monthly rent to the County by \$1,294 for a new maximum of \$5,910 extending the term through August 31, 2007 for the business of aviation electronics.

EXECUTIVE SUMMARY

Lease Agreement No 767, with Silverado Avionics, Inc. expires May 31, 2007. Approval of Amendment No. 3 is being requested to increase rental rates, and extend the term of the lease agreement to August 31, 2007. The agreement also allows for a month to month tenancy after that time period based upon the mutual consent of both Silverado Avionics, Inc. and the County. The requested time period for this amendment is being requested to provide the flexibility of time for the Airport to reexamine its policies and procedures as they pertain to the leasing and development process at the Airport. The Airport Advisory Commission has established an Ad Hoc Committee to provide input into this process.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Airport
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Continued rental income will serve as a revenue source for operation and capital improvement needs.
Is the general fund affected?	No

Future fiscal impact: Rental fees will serve as a revenue source for the Airport Enterprise Fund past the current fiscal year.

Consequences if not approved: The leasehold interest by Silverado Avionics, Inc. would not continue.

Additional Information: Amendment No. 3 will increase the monthly rental rate from \$4,616 per month to \$5,910 per month.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: **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

On November 24, 1992 the Board of Supervisors approved Lease Agreement No. 767 between the County of Napa and Silverado Avionics, Inc. to lease .867 acres of the improved premises located at the Napa County Airport to engage in the business of aviation electronics for a basic term of seven years commencing on December 1, 1992 and expiring on November 30, 1999. In 1999, the lessee exercised its option to extend the lease for an additional seven years to November 30, 2006.

The First Amendment to Lease No. 767 was approved on May 3, 1994 in which the County consented for a portion of the improved premises to be subleased. Amendment No. 2 was approved on October 10, 2006 and extended the lease for six months from November 30, 2006 until May 31, 2007.

Rent for the amended term beginning June 1, 2007 will be increased to \$5,910 per month. This rental amount is based upon an appraisal of the current market rent.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi