



Agenda Date: 11/15/2005
Agenda Placement: 6U

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Michael Stoltz for Robert Peterson - Director
Public Works
REPORT BY: Kathleen Dubrin, Staff Services Analyst II , 259-8683
SUBJECT: Amendment No. 1 to Lease Agreement No. 3756 with the State of California Highway Patrol

RECOMMENDATION

Director of Public Works/Aviation requests the following concerning Lease No. 3756 with the State of California, for leased space located at 3500 Airport Road for use by the California Highway Patrol:

1. Approval of and authorization for the Chair to sign Amendment No. 1 for the term November 15, 2005 through August 31, 2020 clarifying maintenance and repair responsibilities and adjusting the payment schedule based upon the refinancing of the 1993 Certificates of Participation; and
2. Approval of Budget Transfer No. 24 appropriating \$91,974 in the Napa County Capital Improvement Budget with offsetting revenue from the Napa County Airport Enterprise Fund. (4/5 vote required)

EXECUTIVE SUMMARY

Napa County Airport and the State of California have been working together to resolve a conflict between the provisions of the 1992 Memorandum of Understanding and Napa County Agreement No. 3182 dated September 1, 1995 with respect to the responsibility for maintenance and repair of the California Highway Patrol leased premises. Presently the County is responsible for these maintenance and repair activities.

There is also need to revise the agreement given the financial benefit the County has received by refinancing the 1993 Certificates of Participation (COP). The present terms of the agreement require that this financial benefit be passed on to the State either through a new amortization of the payment schedule, or a lessening of the term of the payment schedule.

The amendment addresses these issues by assigning responsibility for interior and exterior repair and maintenance, including landscaping, to the State in return for providing an immediate credit of \$91,974 for purposes of repair and maintenance activities for the lease space. This credit amount recognizes the financial benefit of the 2003 refinancing of the 1993 COP. The payment schedule will remain unchanged with the exception, that after the debt service of the COP is retired, additional payments will go to the Airport Enterprise Account.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	The Airport Enterprise Fund Balance.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	A credit of \$91,974 will be established for the CHP to use for repairs at their facility resulting from the debt service savings from the 2003 refinancing of the 1993 COP.
Is the general fund affected?	No
Future fiscal impact:	All COP payments received from the CHP will be credited to the retirement of the debt service with the exception of the last 10 monthly payments which will be credited to the Airport Enterprise Fund.
Consequences if not approved:	The County will still be responsible for the repair and maintenance of the leased premises, and staff will have to revise the COP payment schedule to be consistent with the present terms of the agreement.
Additional Information:	None

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

On April 14, 1992 a Memorandum of Understanding (MOU) was approved by the County and the State of California to locate the CHP facility at Napa County Airport. The MOU outlined what became Agreement No. 3756 leasing a portion of the Airport to the CHP for office, hangar and fueling facilities. The agreement was approved September 1, 1995.

Both parties now desire to amend the Agreement to conform to the original intentions reflected in the MOU with respect to responsibility for maintenance and repair of the leased premises. The Amendment corrects language in the Agreement that indicated the County is responsible for maintenance and repair.

In accordance with Napa County Auditor's recommendation, this amendment also provides a mechanism for the State of California to recover its proportionate share of the debt service savings in relation to the County's 2003 refinancing of the 1993 COP incurred in financing the construction of the improvement on the leased premises.

During amendment negotiations, both the County and the State of California agreed upon the establishment of a new 'Lessee Credit Account' in the amount of \$91,974, that the State may utilize and draw down to pay for maintenance and improvement expenses associated with the CHP leased premises. The General Services Department of the State, whose responsibility it is to maintain the CHP facility, has indicated

a preference of repair maintenance work rather than cash refund of the COP payments.

After the Lessee Credit Account has been exhausted for building maintenance and repair, the State shall be responsible at its own expense for ensuring that the interior and exterior of all leased buildings are regularly maintained, repaired, and restored when necessary.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Andrew Carey