



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/27/2018

Agenda Placement: 6M

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

REPORT BY: Liz Habkirk, Deputy Dir. of PW-Gen Services - 259-8321

SUBJECT: Amendment No. 4 to Agreement No. 170577B (Formerly 8049) with Collier International

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign Amendment No. 4 to Agreement No. 170577B (formerly Agreement No. 8049) with Colliers Parrish International amending the scope of work to provide specialized marketing services for leasing of Airport property at 1950/2000 Airport Rd. (formerly the IATA Flight Training Facility) and authorizing the engagement a CBRE Broker specializing in Aviation property real estate, and amending the compensation for this specific task resulting in a leasing commission of 5% (Five Percent) of the first ten (10) years of scheduled rents and 2.5% (Two and a Half Percent) of the second ten (10) years.

EXECUTIVE SUMMARY

On November 1, 2013, the Board of Supervisors entered into an agreement with Colliers International following a competitive bid process. The County solicited proposals from firms to provide the County with all of the services, supervision, labor and equipment of a real estate broker/firm to assist in the purchase, sale, and/or lease of real property and land required to meet the needs of the County for a period of three years. The agreement has been amended three times. The first amendment increased the scope to include the location of property for County needs, the second amendment extended the term, and the third amendment also amended the scope of work to allow for more consultation services and revised both the commission and hourly compensation.

Today's fourth amendment is specific to Airport property at 1950/2000 Airport Rd, formerly housing the International Airline Training Academy. The amendment will allow Colliers to engage a broker with aviation expertise to help market and lease the facility with a long-term tenant. It also amends the commission for this specific assignment to 5% (Five Percent) of the first ten (10) years of scheduled rents and 2.5% (Two and a Half Percent) of the second ten (10) years. Colliers is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Sale and purchase commissions are paid from the property exchange receipts.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	1950/2000 Airport Rd. is a specialized flight training facility and the Airport must adhere to Federal Aviation Administration regulations regarding properties on airport facilities. Both of these issues require a specific knowledge in aviation real estate. Today's amendment will allow Colliers to engage a broker with this expertise to identify qualified tenants and negotiate a long-term lease for the County.
Is the general fund affected?	Yes
Future fiscal impact:	Every effort will be made to execute a lease or leases within the current fiscal year; however, the commission is paid upon that execution which may occur in future fiscal years. The Colliers contract expires in December 2020.
Consequences if not approved:	Staff would not have contracted real estate expertise specific to aviation facilities which may impact the scope of possible tenants that could be reached or the quality of leases executed.
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

Colliers International has provided real estate services to Napa County since 2013. The current scope of work allows Colliers to assist in consultation of property matters, negotiating both the sale and purchase of properties, negotiating the leasing of County properties and the leasing of private properties for County use. Today's fourth amendment is recommended to call out the specific task of providing specialized marketing of the Airport property at 1950/2000 Airport Rd. The facility was previously leased to the International Airline Training Academy which terminated its lease effective December 31, 2017.

The facility was designed as flight training academy and presents a unique challenge for leasing. The property is approximately 16 acres and the facility is over 733,000 square feet. It consists of classrooms, administrative offices, and related aircraft maintenance hangar facilities. The County currently has one tenant in a portion of the facility, Yamaha, and on today's agenda the Board is considering another lease for hangar/office space with REACH Air Ambulance. Both leases allow the County the ability to market the entire property. The specialized nature of the facility and the requirement to follow Federal Aviation Administration (FAA) regulations regarding the process for leasing properties on airports led to the recommendation to include specialized real

estate services beyond the current scope of the Colliers agreement. Colliers representatives have engaged Ms. Katrin Gist of CBRE for this assignment. Ms. Gist is Chairwoman of CBRE's Airport Property Group and focuses on representing clients in the purchase, sale and leasing of airport properties. Her expertise will be beneficial in marketing the facility and securing quality long term tenants for the County.

Today's recommended amendment will include the ability for Colliers to engage Ms. Gist, allow her to act in dual agency for this assignment, and amend the compensation for this specific task making the leasing commission be 5% (Five Percent) of the first ten (10) years of scheduled rents and 2.5% (Two and a Half Percent) of the second ten (10) years. The fee will only be charged on the firm term (i.e. no option periods).

Colliers is not a local vendor.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Bret Prebula