



Agenda Date: 4/12/2005
Agenda Placement: 6M

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Kim Henderson for Robert Peterson - Director
Public Works
REPORT BY: Kathleen Dubrin, Staff Services Analyst II , 259-8683
SUBJECT: Erect-A-Tube Land Lease

RECOMMENDATION

Director of Public Works/Aviation requests approval of and authorization for the Chair to sign a land use agreement with Erect-A-Tube, Inc. for \$6,956 per year with annual increases based upon the Consumer Price Index, to lease 28,985 square feet of airport land for the term April 1, 2005 through March 31, 2025.

EXECUTIVE SUMMARY

The Napa County Airport has 188 hangars with a 100% occupancy rate and currently has a waiting list of 96 perspective tenants. Due to the constant demand for private aircraft storage, the Airport Advisory Commission recommended that the County conduct a Request For Proposals for the construction and financing of nine storage box hangars at the Napa County Airport. Erect-A-Tube, Inc. was selected to lease 28,985 square feet of land for the construction of the nine box hangars which they may sublease for the storage of privately owned single and twin-engine aircraft.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	The Erect-A-Tube, Inc. agreement will provide additional funds to the Airport Enterprise in the form of annual land rental revenue of \$6,956.40 (28,985 square feet at \$0.24 per square foot).
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The great demand for aircraft storage space at the Napa County Airport will be addressed by the construction of nine additional hangars. The Airport

Enterprise Fund will benefit from land lease revenue while the General Fund will benefit by Property Tax revenue collected from based aircraft leasing the box hangars.

Is the general fund affected? Yes

Future fiscal impact: The Napa County Airport Enterprise Fund will continue to receive funds from the lease for a period of up to twenty five years.

Consequences if not approved: The Napa County Airport would not be responding to the demand for box aircraft storage hangars and the Airport and General Fund would not benefit from this revenue opportunity.

Additional Information:

ENVIRONMENTAL IMPACT

The project is Categorically Exempt from the provisions of CEQA pursuant to Sections 15303 and 15311 consisting of the placement of minor accessory (appurtenant) structures at an existing institutional facility.

BACKGROUND AND DISCUSSION

The Napa County Airport has land available for the construction of aircraft storage hangars within the area at the Airport designated for hangar expansion by the adopted Airport Master Plan currently in effect. Airport staff conducted a Request For Proposals (RFP) for the development and financing of nine box aircraft storage hangars with Erect-A-Tube, Inc. responding to the RFP. The RFP evaluation panel (an ad hoc committee of the Airport Advisory Commission (AAC) comprised of Commissioners Todd Walker, Bill Wheadon and John Kempkey) met on April 6, 2004 to review responses to the RFP to build box hangars and unanimously selected Erect-A-Tube for the project. The full AAC unanimously approved the project at their April 16, 2004 meeting.

Erect-A-Tube, Inc. was selected to construct the nine box hangars which they may sublease for the storage of privately owned single and twin-engine aircraft. Erect-a-Tube, Inc. is known throughout the aviation industry for high-quality, state-of-the-art products and superior service.

The County is agreeing to lease to Erect-A-Tube, Inc. 28,985 square feet of open acreage for twenty years which may be extended by one five year period for a total of twenty five years. The land lease rate is \$0.24 per square foot per annum, equivalent to \$579.70 per month, or \$6,956.40 per year, with a yearly CPI escalator effective July 1, 2006. The land rate was determined by an airport land appraisal.

The construction estimate is approximately \$1,300,000.00. The Department of Public Works will oversee construction.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Michael Stoltz