



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Public Works



Date: June 20, 2012
Board Meeting Date: July 10, 2012
Special Notice / Hearing: None
Vote Required: 4/5ths

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works

Subject: Lease Agreement with Pelican Flight Training, LLC dba Fly Bay Area (Lease No. 5347)

RECOMMENDATION:

Adopt a Resolution authorizing:

- A) A Lease Agreement with Pelican Flight Training, LLC doing business as Fly Bay Area for a portion of the Airport Terminal Building at 620 Airport Drive, San Carlos, consisting of 170 square feet of office space for a term of five years from July 1, 2012 to June 30, 2017, with one option to extend the term for an additional five years, at an initial Base Rent of \$323.00 per month which increases annually by 3%, and an initial Utility Fee of \$90.00 per month; and
- B) The County Manager or his designee to execute notices, options and documents associated with the Agreement including, but not limited to, extension or termination of the Agreement under the terms set forth therein.

BACKGROUND:

On June 26, 2012, the County entered into an amendment with an existing tenant of the San Carlos Airport Terminal Building which reduced the square footage of the tenant's premises, leaving Suite #7, consisting of 170 square feet of office space vacant and available to lease to a new tenant. The County solicited proposals for use of Suite #7, and selected Pelican Flight Training, LLC dba Fly Bay Area ("Fly Bay Area") as the best fit for the space. Fly Bay Area currently operates scenic flight services under the terms of an airport permit agreement, and the office space will serve as a client waiting area and allow Fly Bay Area to install necessary signage at the Terminal Building.

DISCUSSION:

Real Property Services has negotiated a Lease Agreement for a portion of the Airport Terminal Building at 620 Airport Drive, Suite #7, San Carlos, consisting of 170 square feet of office space for a term of five years from July 1, 2012 to June 30, 2017, with one option to extend the term for an additional five years, at an initial Base Rent of \$323.00 per month which increases annually by 3%, and an initial Utility Fee of \$90.00 per month. The Tenant shall have the right to terminate the lease during the initial term after July 1, 2014 on 180 days written notice to the County. Fly Bay Area's operations will continue to be governed by their existing Permit with the County, and any changes to their operation will be negotiated separately.

County Counsel has reviewed and approved the Lease Agreement and Resolution as to form.

Approval of the Lease Agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by establishing an agreement that benefits the County of San Mateo and Fly Bay Area while also benefiting the public by providing additional services at the San Carlos Airport.

FISCAL IMPACT:

The monthly Base Rent and Utility Charge, initially \$323.00 and \$90.00 respectively, will be deposited to the Airport Enterprise Fund. There is no impact to the General Fund.