

RESOLUTION NO.

BOARD OF SUPERVIORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION AUTHORIZING: A) THE EXECUTION OF A LEASE AND CONCESSION AGREEMENT WITH RABBIT AVIATION SERVICES, INC., TO ENABLE THE OPERATION OF AN APPROXIMATELY 9,000 SQUARE FOOT AVIATION FUEL FACILITY AT THE SAN CARLOS AIRPORT, FOR AN INITIAL TERM OF SEVEN YEARS, AND AT AN INITIAL MONTHLY BASE RENT OF \$900 OR A PER MONTH FLOWAGE FEE OF \$0.15 PER GALLON OF AVIATION FUEL SOLD, WHICHEVER IS GREATER; AND B) THE COUNTY MANAGER, OR HIS DESIGNEE, TO ACCEPT AND EXECUTE ON BEHALF OF THE COUNTY ANY AND ALL NOTICES, OPTIONS, CONSENTS, APPROVALS, TERMINATIONS, AND DOCUMENTS IN CONNECTION WITH THE LEASE AND CONCESSION AGREEMENT; AND C) THE WAIVER OF THE COUNTY'S COMPETITIVE SOLICITATION PROCESS FOR THE AVIATION FUEL FACILITY VENDOR

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that;

WHEREAS, Rabbit Aviation Services, Inc. ("Rabbit") has been providing aviation fuel services at the San Carlos Airport ("Airport") since 1996; and

WHEREAS, Rabbit is currently the sole provider of aviation fuel services at the Airport, and the Federal Aviation Administration ("FAA") has determined that Rabbit's existing fuel tank is located within the Runway Object Free Area ("ROFA") and needs to be relocated so as to not present a safety hazard to aircraft using the Airport; and

WHEREAS, on July 9, 2013, pursuant to San Mateo County Resolution No. 072685, the County awarded a contract to Disney Construction for the construction and installation of a new aviation fuel facility and pump station at the Airport using an FAA

Grant; and

WHEREAS, the County and Rabbit have negotiated a Lease and Concession Agreement authorizing Rabbit to operate the newly constructed aviation fuel facility at the Airport for an initial term of seven (7) years with one five-year option to extend the term exercisable upon mutual written consent, at a monthly Base Permit Fee of the greater of either the total fuel Flowage Fee accrued from the sale of aviation fuel at the Airport or the minimum monthly base rent, which starts at \$900 and increases by three percent (3%) annually; and

WHEREAS, aviation fuel sold by Rabbit will incur a \$0.15 per gallon Flowage Fee, which is considered market rate for aviation fuel providers at comparable general aviation airports; and

WHEREAS, to promote the use of unleaded aviation fuel, no Flowage Fee will be levied for its sale until such time as unleaded fuel comprises 50 percent (50%) or more of total fuel sold by Rabbit on any given month; and

WHEREAS, there has been presented to this Board of Supervisors, for its consideration and acceptance, said Lease and Concession Agreement, reference to which is hereby made for further particulars, whereby Rabbit may operate the aviation fuel facility at the Airport in accordance with the terms and conditions contained in said Lease and Concession Agreement; and

WHEREAS, the County constructed a new aviation fuel facility using FAA grant funding for the explicit purpose of relocating Rabbit's existing fuel tanks outside the

ROFA, which the FAA identified as a safety hazard; and

WHEREAS, the existing fuel tank must be removed from the ROFA in an expedited manner to satisfy FAA grant obligations; and

WHEREAS, a capital investment by the new fuel provider, estimated at \$800,000, is needed to complete construction of the fuel facility project and purchase the equipment necessary to make the new fuel facility operational; and

WHEREAS, the new fuel provider will also be required to meet the County's new standard of providing unleaded fuel to reduce carbon emissions; and

WHEREAS, based on staff research, Rabbit is the only fuel provider in the State of California that provides unleaded fuel to general aviation airports; and

WHEREAS, Rabbit is financially able and willing to provide the capital investment necessary to complete the fuel facility project in an expedited manner, has a history of providing unleaded fuel at a general aviation airport successfully, and is a current vendor in good standing; and

WHEREAS, the FAA does not require the Airport to conduct a federal Request for Proposal (RFP) process for a new fuel provider because a portion of the aviation fuel facility was built for the explicit purpose of relocating Rabbit's existing fuel tank out of the ROFA area; and

WHEREAS, the Board has determined that it is in the best interests of the County to waive the competitive selection process for the aviation fuel services that are

the subject of the Lease and Concession; and

WHEREAS, the execution of Lease and Concession highlights the Board's continued commitment to reducing carbon emissions by having the only general aviation airport in the State of California that offers unleaded fuel and incentivizes its sale.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that:

1. The President of the Board of Supervisors be authorized and directed to execute a Lease and Concession Agreement with Rabbit Aviation Services, Inc., to enable the operation of an approximately 9,000 square foot aviation fuel facility at the San Carlos Airport, for an initial term of seven years with one five-year option to extend the term upon mutual written consent and at an initial Monthly Base Rent of \$900, or a per month flowage fee of \$0.15 per gallon of aviation fuel sold, whichever is greater.
2. The County Manager, or his designee, is authorized to accept and execute on behalf of the County, any and all notices, options, consents, approvals, terminations, and documents in connection with the Lease and Concession Agreement.
3. The Board waives the County's competitive solicitation process for the Airport's fuel facility vendor.

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