



County of San Mateo

Inter-Departmental Correspondence

Department: PUBLIC WORKS

File #: 23-752

Board Meeting Date: 9/12/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Ann M. Stillman, Director, Department of Public Works

Subject: Second Amendment to the Right of Entry Agreement with Martin M. Eisenberg granting continued access to the San Carlos Airport from the property located at 655 Skyway Road in the City of San Carlos

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a Second Amendment to the Right of Entry Agreement with MARTIN M. EISENBERG, sole trustee of the Levin Family Trusts established under trust agreement dated July 31, 1984, to amend the lease with updated Right of Entry Taxilane, Right of Entry Fee, Miscellaneous Responsibilities of Operator, Special Requirements/Conditions, Minimum Standards, and add Limits on Use of Hangars by Operator and Hangar Tenants; and
- B) The County Executive Officer, or designee, to accept and execute on behalf of the County any and all notices, options, consents, approvals, terminations, and documents in connection with the Right of Entry Agreement.

BACKGROUND:

Martin M. Eisenberg ("Operator") owns the property located at 655 Skyway Road in the City of San Carlos ("Property"). The Property abuts the west side of the San Carlos Airport ("Airport"), as shown on Exhibit A of the proposed Second Amendment to the Right of Entry Agreement. In 1969, Operator executed a ground lease agreement with Skyway Holdings ("Skyway"), which authorized Skyway to construct and operate an office building and aircraft hangars on the Property. Also in 1969, Operator executed a Right of Entry Agreement with the County authorizing tenants and users of the office building and aircraft hangars to directly access the Airport. Upon the ground lease agreement with Skyway expiring on November 30 2008, ownership of the office building and aircraft hangars reverted to the Operator. Since March 2009, Operator and Operator' tenants have accessed the Airport by way of a renegotiated Right of Entry Agreement ("Agreement") with the County.

The Airport serves as a general aviation airport for the benefit of the public. To accommodate the

storage of aircraft, the County has aircraft hangars and tie-downs on site. However, due to high demand for aircraft hangar spaces, the County currently has a waitlist for existing facilities. For this reason, granting adjacent private property owners the right to enter the Airport from their property can provide support for Airport operations. Further, by charging these private property owners a right of entry fee, the Airport generates revenue for the Airport Enterprise Fund without incurring the cost of maintaining additional facilities.

DISCUSSION:

The Department has developed the Second Amendment to the Right of Entry Agreement to ensure compliance with Federal Aviation Administration (FAA) standards and use of taxilanes and consistency with Airport policies and agreements.

The amendment includes the following modifications to the agreement:

- Section 2 of the agreement is modified to maintain compliance with the FAA standards.
- The Right of Entry Fee in section 3C is amended such that beginning July 1, 2024, and on the 1st day of July of each year of the Term of the Agreement, including an Extended Term or holdover period, the Base Rent for the following twelve-month period shall be adjusted to equal one hundred and three percent (103%) of the Base Rent, rounded to the nearest dollar for the lease year preceding such Adjustment Date. This modification ensures consistent fee increases with Airport agreements.
- The amendment adds a new section entitled “Limitations on the use of Hangars by Operators and Hangar Tenants” to the agreement as Section 21. This Section allows the Operator to store commercial aircraft and ensures consistency with Airport policies and other agreements. The addition of this Section precipitated renumbering the “Miscellaneous Responsibilities of Operator” section from Section 21 to 22 and the adjustment of all subsequent section numbers.
- Section 26 “Special Requirements/Conditions” of the agreement is amended to align with the Airport policies and procedures as well as FAA standards.

County Attorney has reviewed and approved the resolution and amendment as to form.

FISCAL IMPACT:

There is no impact to the General Fund.