



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 20-550

Board Meeting Date: 7/21/2020

Special Notice/Hearing: None
Vote Required: 4/5 Vote

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager

Subject: First Amendment to Lease and Concession Agreement with Rabbit Aviation Services, Inc, at the San Carlos Airport (Lease No. 5395)

RECOMMENDATIONS:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a First Amendment to the Lease and Concession Agreement with Rabbit Aviation Services, Inc., to amend the lease to also allow the occupancy of the 835-square foot office space, known as Suite 1 of the San Carlos Airport Terminal Building, for the continued term through April 30, 2025, with one option to extend the term for five years, at an initial monthly Base Rent of \$1,837, plus utilities, with annual three percent increases; and
- B) The Director of Public Works, or their designee, to accept or 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:

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

On January 21, 2020, the Department of Public Works, Airports Office ("DPW") issued a Request for Proposals to solicit the vacant office space, known as Suite 1 of the Airport Terminal Building. DPW's selection committee assessed and evaluated all proposals received and selected Rabbit to occupy the space.

Occupying Suite 1 will enable Rabbit to offer enhanced aircraft maintenance service, noise abatement counseling, a pilot briefing area, expanded ground transportation, and more. Rabbit will provide these services in addition to the fueling service as provided by the original Lease and

Concession Agreement.

DISCUSSION:

In addition to the Rent set forth in the August 1, 2016 Lease and Concession Agreement (“Original Agreement”), Real Property Services and DPW have negotiated an additional monthly base rental amount of \$1,837.00 per month for the 835-square foot office space (Suite 1), plus \$208.75 per month for its proportionate share of utilities (collectively referred to as “Office Space Rent”). Office Space Rent will be subject to a three percent annual increase, and the term of the agreement will continue as set forth in the Original Agreement, through April 30, 2025, with one option to extend the term for five years.

FISCAL IMPACT:

The Office Space Funds set forth herein is estimated at \$24,500 annually. Combined with the fuel and concession rent, revenue generated from Rabbit is estimated, at a minimum, at \$117,074.20 annually, and will be deposited into the Airport Enterprise Fund. There is no impact to the General Fund.