



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 20-715

Board Meeting Date: 9/29/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Manager
Subject: Lease Agreement with San Carlos Flight Center, Inc. for Office Space at 795 Skyway Road to Continue Operating its Flight School at the San Carlos Airport (Lease No. 5343)

RECOMMENDATION:

Adopt a resolution authorizing:

- A) A Lease Agreement with San Carlos Flight Center, Inc. for Suite A of the 795 Skyway office building at San Carlos Airport, for an initial term of twelve (12) months from September 1, 2020 to August 31, 2021, with one option to extend for an additional one-year term, at an initial rate of \$6,598.20 per month plus utilities; and
- B) The County Manager, or his 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:

From 2012 until September 2020, under two consecutive Concession Agreements with the County, the San Carlos Flight Center, Inc. (SCFC) operated a flight school at the privately-owned Skyway Center immediately adjacent to the San Carlos Airport (Airport). SCFC operates as a lessee of the Skyway Center at the San Carlos Airport through a Right-of-Entry Agreement approved by your Board on February 13, 2018, Resolution No. 075700. The Skyway Center will be developed and the office space that houses the SCFC will be redeveloped and no longer available to SCFC. The Airport recently renovated the vacant office building at 795 Skyway Road at the Airport to accommodate the SCFC and other existing businesses at the San Carlos Airport (Airport). Since SCFC is already operating at the Airport, this action will not result in an increase in the number of aircraft at the Airport.

DISCUSSION:

Real Property has negotiated a Lease Agreement with SCFC for Suite A of the Airport- owned 795 Skyway office building for an initial term of twelve (12) months, with one option to extend for an

additional year. Pursuant to the terms of the lease, SCFC will have non-exclusive use of the ADA restroom. The initial rate of \$6,598.20 per month is subject to annual increases of 3%. SCFC will also pay for utilities which are subject to adjustment based on actual usage. SCFC will be responsible to pay proportional costs for janitorial services in the ADA restroom.

County Counsel has reviewed and approved the Agreement and Resolution as to form. The Director of Public Works concurs in this recommendation.

FISCAL IMPACT:

Revenue to the Airport will increase by \$79,178.40 annually, increasing by 3 percent (3%) in the subsequent year. There is no impact to the General Fund.