



City Council Agenda Report

From: Dick McKinley, Public Works Director
Subject: Five-Year Extension to Andros Lease at the Airport
Date: April 20, 2017

Facts

1. An existing airport lease, for the property at Parcel 51 (4285 Second Wind Way), went into default approximately two decades ago. Matt Andros agreed with the bank to take over the site and entered into a new lease with the City for 50 years (1999-2049).
2. Mr. Andros has requested a long-term extension to the lease, but has been on hold while the City has worked through the Airport Lease Policy process – first with the Airport Advisory Committee and now with the Airport Commission.
3. Mr. Andros has revised his request, as evidenced in the attached letter from his attorney, Sophie Treder. Mr. Andros is now asking for a five-year extension to his existing fifty-year lease, under all of the same terms and conditions. This would leave his lease compliant with the fifty-five year limit, and provide Mr. Andros with the additional lease time he wants to finance site improvements.
4. Section 2 of the Airport Commission Bylaws calls for the Commission to provide advice to the City Council for leases, and for the City Council to have final approval of leases.
5. At the April 20, 2017 meeting, the Airport Commission considered this lease extension request and unanimously voted to recommend that the City Council grant this request.

Options

1. Do nothing;
2. Consider the lease extension and grant the five-year lease extension under the same terms and conditions to Matt and Susan Andros, and the Matt and Sue Andros Family Trust.
3. Provide alternative direction to staff.

Analysis and Conclusions

Option 1 continues the status quo, and leaves the Andros family waiting until the lease policy is adopted to again make this request.

Option 2 is based on the recommendation of the Airport Commission, recognizing that the extension retains the same lease terms and conditions, is within the fifty-five year limit, and provides Mr. Andros an improved opportunity to seek financing for site improvements. This option grants the five-year lease extension to Matt and Susan Andros, and the Matt and Sue Andros Family Trust.

Fiscal Impact

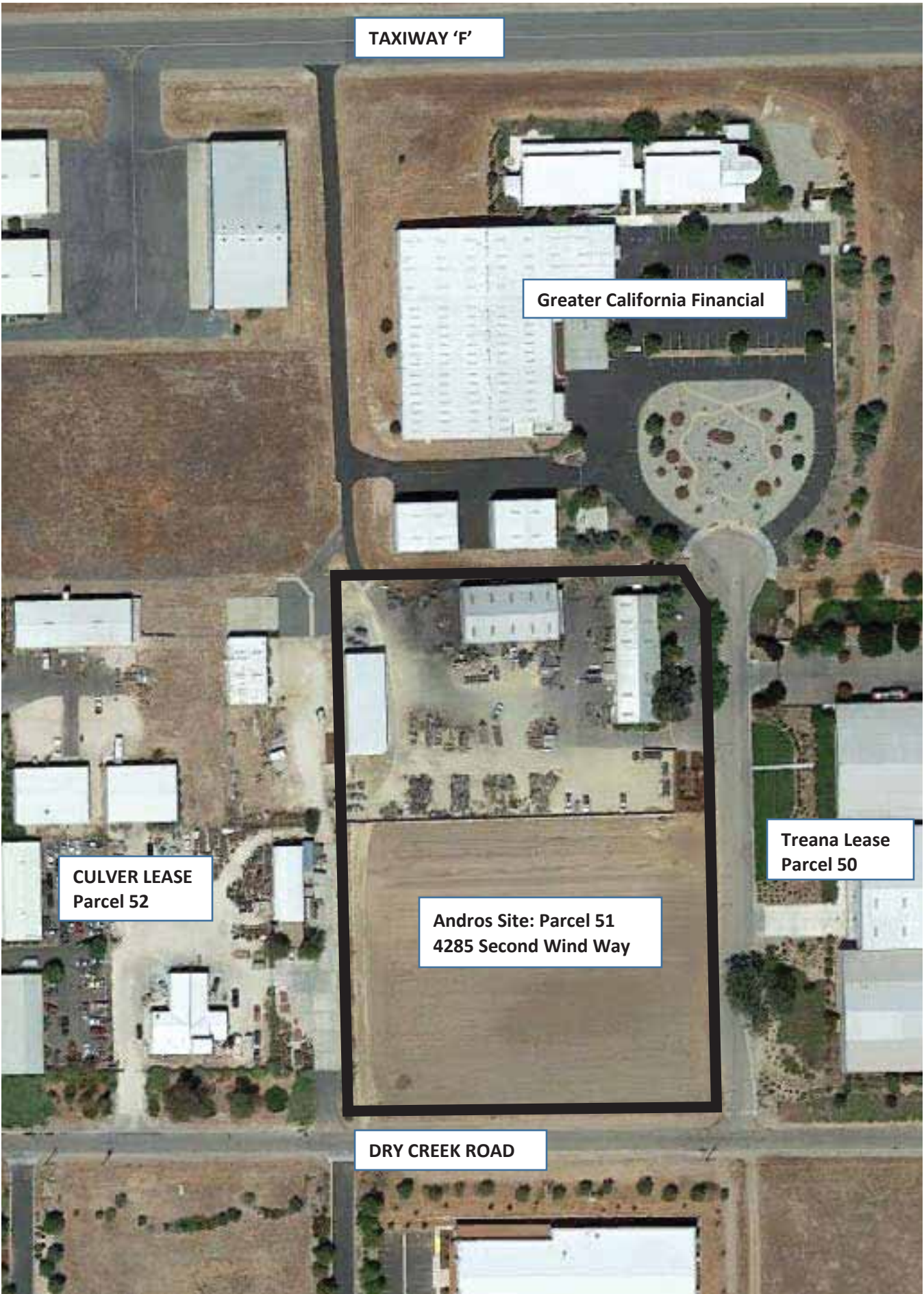
Five years of additional rent and site improvements on City-owned land.

Recommendation

Grant a five-year lease extension under the same terms and conditions to Matt and Susan Andros, and the Matt and Sue Andros Family Trust.

Attachments

1. Andros Site Map
2. Letter from Sophie Treder





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(Sent via email only)

April 13, 2017

Re: Andros Engineering Airport Ground Lease

Dear Mr. McKinley,

I am writing on behalf of Matt and Susan Andros and the Matt and Sue Andros Family Trust, to request an extension of the ground lease from the City for the property located at 4285 Second Wind Way, also known as City Parcel 51 of Parcel Map PRAL 80-53, near the Paso Robles Airport. We are requesting a minimum five-year extension of the current lease, which will help facilitate financing and construction of some planned improvements.

We understand that this request must be reviewed by the City's Airport Commission, and also approved by the City Council. Accordingly, we respectfully ask that consideration of the lease extension be placed on the Airport Commission's April 20th agenda, and the City Council's May 2nd agenda, for their consideration.

With appreciation,

Sophie Treder

Sophie Treder
TREDER LAND LAW, INC.