

RESOLUTION NO. 00-179

**AUTHORIZING AIRPORT GROUND & BUILDING LEASES WITH,
ASSIGNMENT OF PURCHASE AGREEMENT FROM, AND
ISSUANCE OF A FIXED BASE OPERATOR LICENSE TO,
NORTH AMERICAN JET CHARTER, INC.**

WHEREAS, the City of Paso Robles owns and operates the Paso Robles Municipal Airport, and

WHEREAS, the Paso Robles Municipal Airport is a critical transportation gateway for citizens, local business, industry and government, and

WHEREAS, the City Council has established a vision of the Paso Robles Municipal Airport as a "regional airport supporting and promoting economic development and growth in tourism through service to both general aviation and regular commercial air service," and

WHEREAS, in contrast, the last ten years have witnessed a loss of regular, convenient aircraft charter service and associated passenger travel, and

WHEREAS, general aviation activity has not increased as evidenced by little growth in fuel sales and the number of aircraft based at the Airport, and

WHEREAS, general aircraft mechanical services, other than a few primarily available for antique airplane enthusiasts, have diminished to the point of non-existence, and

WHEREAS, the Airport has not attracted and sustained a new full-service Fixed Base Operator in the last ten years, and

WHEREAS, Airport income for those activities specific to private aviation have not evidenced any trend towards improvement or increase for the last ten years (net private aviation activity generated income varied up and down year-to-year between \$37,000 to \$48,000, averaging \$43,000, for the 9 years 1990-99; only in 2000 did it fluctuate higher to \$57,000), and

WHEREAS, Consumer Price Indices for the ten year period 1990-2000 reflect that the cost of inflation alone would normally have been expected to result in sustainable, consistent increases year-to-year totaling approximately 30% (the average CPI increase from 1990 to 2000 – Bureau of labor Statistics, CPI All Items for San Francisco & Los Angeles areas - was 29.81%), and

WHEREAS, Paso Robles Airport aviation activity, and the income derived therefrom, has, as evidenced above, stagnated over the last ten years despite a growing, healthy economy locally, Statewide and across the nation, and

WHEREAS, this stagnation could arguably be characterized as a real decline, and

WHEREAS, such a decline requires significant and direct action and investment to reverse, and

WHEREAS, North American Jet Charter, Inc. is an established jet charter company currently based in Banning, California, and

WHEREAS, North American Jet Charter (NAJC) will relocate its jet charter operations to, and base at least three jet aircraft at, Paso Robles, and

WHEREAS, NAJC will provide jet charter, private air ambulance, jet and general aviation mechanical, ground and fuels sales and services, and

WHEREAS, NAJC will staff a service counter in the new Airport Terminal and has agreed to man the station at least 40 hours weekly, and

WHEREAS, NAJC has agreed to price aviation fuel competitively with other area providers, and

WHEREAS, the City's and North American Jet Charter's separate and collective efforts to reverse decline and re-establish vigorous general aviation and jet charter activity is similar to start up of a new airport, and

WHEREAS, the Federal Aviation Authority provides that it is frequently necessary for an airport owner to offer reduced rental rates and other inducements to obtain an FBO recognizing that it may well be a non-profit venture during the pioneer period, and

WHEREAS, the property subject to the lease is reasonably needed to provide the aeronautical services required by the lease agreement, and

WHEREAS, the City and those persons who use the Paso Robles Municipal Airport will likely benefit from the lease arrangement with North American Jet Charter because of the anticipated quality of services to be provided will be in accordance with agreed to standards, and

WHEREAS, the City Council finds that during the first seven (7) years (Pioneer Period) of the lease that the rates and rental charges contained in the lease are reasonable for the following reasons:

1. They will likely avoid destructive competition and duplication of service that may impair the quality of Airport services during the "Pioneer Period."
2. They will likely maintain certainty and stability in rendering aeronautical services during the "Pioneer Period".
3. They are related to the anticipated increase in aeronautical services to be provided by North American Jet Charter.
4. North American Jet Charter has agreed to Fuel Pricing Standards that will encourage the development of private flying, general use of the Airport, and promote commerce and tourism.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of El Paso de Robles does hereby declare that the above recitals and findings are true and correct and are incorporated herein, and does hereby authorize the Mayor to execute all documents related to and facilitating (a) a new lease for Airport property and facility, commonly referred to as the Kyodo Air Building, along with the adjacent tarmac and fueling island, and (b) an assignment of purchase agreement from NAJC to the City, and lease thereof to NAJC, for certain holdings of Aero Services south of and adjacent to the new Airport Terminal, both with North American Jet Charter, Inc. for a period of ten years, with eight 5-year options to extend, and (c) lease options for certain parcels around the Airport for commercial hangers, rental hangers, and/or office/industrial development.

AND, BE IT FURTHER RESOLVED that the Mayor is authorized to issue a Fixed Base Operator License to North American Jet Charter, Inc.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 30th day of August, 2000 by the following vote:

AYES: Baron, Macklin and Swanson
NOES: Picanco
ABSTAIN: None
ABSENT: Mecham

Duane J. Picanco, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk