



SUPPLEMENTAL AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute a *Second Amendment to Temporary Rental Agreement* with Delux Public Charter, LLC dba JSX Operating at Oakland Airport for a Total Term of Just Over Seven Years from May 7, 2021, through June 30, 2028, and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Aviation)**

Submitted By: Craig Simon, Director of Aviation; Kristi McKenney, Executive Director

Parties Involved: Delux Public Charter, LLC dba JSX; Dallas, TX

Amount: \$93,432 (FY2025 – FY2026)
Revenue

EXECUTIVE SUMMARY: Delux Public Charter, LLC (JSX) is an independent regional airline, based out of Dallas TX, operates its passenger service as a based subtenant to Signature Aviation in the North Field at Oakland Airport (OAK). The existing *Temporary Rental Agreement (TRA)* with JSX will expire on June 30, 2025. Port of Oakland (Port) Staff reviewed JSX's current operations at OAK and determined that it is in the best interest of the traveling public to extend the term of JSX's TRA for their valet parking lot for another three years. Port Staff negotiated an approximately 160 percent rate increase and is proposing to approve this term extension of the TRA with JSX through June 30, 2028.

BACKGROUND & ANALYSIS

JSX sells its flights as public air charters and operates its passenger service as a based subtenant to Signature Aviation in the North Field at OAK, specifically operating out of Port Building L-142. Since starting its operations at OAK in November 2017, JSX has seen continuous growth from three flights a day to twenty flights a day and from one destination to four destinations. JSX currently operates flights from Oakland to Carlsbad, Burbank, Scottsdale and Las Vegas. Along with this accelerated growth came the need for additional passenger parking and valet services.

In May 2021 the Port executed a *TRA* with JSX that allowed for JSX to occupy a portion of the parking lot that is located across the street from L-142. JSX uses L-142 as its terminal building for its operations and utilizes the entirety of the L-142 Lot for its valet parking service. The L-142 Lot is split into two parts and is rented as follows:

- Half of the lot is rented under a long-term lease to Signature.
- Half of the lot was originally designated as part of the site for future development and is temporarily rented to JSX under the *TRA*.

The current *TRA* commenced on May 7, 2021 and will terminate on June 30, 2025.



ANALYSIS

Based on the current timeline, the *TRA* can be extended for an additional three years. If amended, the *TRA* will have a total term of seven years, one month, and twenty-five days, commencing May 7, 2021, and terminating on June 30, 2028, still terminable by either party upon 30-day written notice, and with no Options to Extend. The Premises consists of approximately 34,000 square feet of paved land and parking space. The monthly rent is \$7,786 per month (approximately 160 percent higher than the current rate), subject to rent adjustments of 3% annually on July 1, 2026, and each July 1st thereafter. The specific terms and conditions of the *TRA* are shown in detail on Exhibit A.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☒ Categorically exempt under the following CEQA Guidelines Section:
15301 (Existing Facilities)
- ☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- ☐ Other/Notes:

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - ☒ Operating
 - ☐ Non-Operating
 - ☐ Capital

Analysis: Revenues for this agreement were included in the FY 2026 Operating Budget in the total amount of \$36,000. If approved, revenues would increase to \$93,432, resulting in a \$57,432 surplus.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- ☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

Yes (Tenant) – proposed action entails at least \$50,000 in payments from a Maritime or Aviation tenant, licensee, and/or its subtenant/sublicensee employing at least 21 employees who spend at least 25% of their time on Port-related work.

- ☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? No.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> The tenant has not proposed any development for the leased area. If the tenant decides to develop the site in the future, the tenant must comply with the 2000 Sustainability Policy and complete the Sustainability Opportunities Assessment Form.</p>	<p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Capture Our Market and Grow the Economic Base <input type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input checked="" type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	

Exhibit “A”

Terms and Conditions of Amended TRA with JSX

<u>TERMS</u>	
Tenant:	Delux Public Charter, LLC dba JSX
Lease Premises:	<u>Parcel L-142 Parking Lot¹</u> Land – 34,000 sf ¹ As noted on the drawing below
Permitted Use:	Only for the operation of a parking lot containing approximately 34,000 gross square feet.
Initial Term: Extended Term: Commencement Date of Extended Term: Expiration Date: Termination:	4 Years via TRA and Amendment 1 3 Years (Extended via this Second Amendment) July 1, 2025 June 30, 2028 Either party may terminate upon 30 days’ written notice.
Monthly Rent: Rent Adjustments:	\$7,786 for Extended Term (7/1/25 through 6/30/28), subject to the Rent adjustments below. Rent adjustments of 3% annually on July 1, 2026, and each July 1st thereafter.
Performance Deposit:	\$24,000

