

## AGENDA REPORT

**Ordinance:** Approval of *Amendment No. 1 to Space/Use Permit* with Technical Education Services, Inc. d/b/a the Aviation Institute of Maintenance to Extend Occupancy One Year and Increase Rent (**Aviation**)

**MEETING DATE:** 6/22/2017

**AMOUNT:** \$35,702.07 Monthly [Choose an item.](#)

**PARTIES INVOLVED:** Technical Education Services, Inc. d/b/a Aviation Institute of Maintenance, Virginia Beach, Virginia  
Gerald Yagen, President

**SUBMITTED BY:** Bryant L. Francis C.M., Director of Aviation

**APPROVED BY:** J. Christopher Lytle, Executive Director

**ACTION TYPE:** Ordinance

### **EXECUTIVE SUMMARY**

This action would authorize the Executive Director to Execute *Amendment No. 1 to Space/Use Permit* (the “*Amendment*”) with Technical Education Services, Inc. d/b/a Aviation Institute of Maintenance (“AIM”) which would provide for amendment and extension through April 30, 2018 of the *Space/Use Permit* (the “*SUP*”) to occupy office, hangar, shop, vehicle parking and apron space on the North Field at Oakland International Airport (“OAK”) along with a CPI-based increase in rent.

### **BACKGROUND**

At its meeting of June 5, 2014, by Ordinance No. 4295, the Board authorized the *SUP* with AIM, a Virginia-based company, to occupy 91,359 square feet of office, hangar, shop, vehicle parking and apron space in and adjacent to Port Buildings L-105, L-118 and L-151 (9636, 9625 and 9260 Earhart Road, respectively) on the North Field to provide airframe and power plant educational instruction at OAK.

AIM has operated a FAA-certified Part 147 aviation maintenance technician school at OAK’s North Field since October 1, 2010, pursuant to Board of Port Commissioners Resolution #10-159. AIM’s most recent total monthly rent was \$34,569.07.



AIM's locations on North Field

## **ANALYSIS**

The subject action extends the term of the *SUP* to April 30, 2018 and increases the monthly rent from \$34,569.07 to \$35,702.07 based upon the applicable one (1) year change in the CPI for the San Francisco-San Jose-Oakland metropolitan areas.

During the next several months, Port staff and AIM will cooperatively work together to determine a longer-term strategy for AIM's occupancy of space at OAK.

Port staff confirms that the proposed rent structure is consistent with fair market value rents for facilities in similar condition that are leased by other tenants on the North Field.

## **BUDGET & STAFFING**

There is no budget impact as the proposed FY 2017-18 Aviation revenue budget includes the extension term and increased rent. There is no staffing impact.

## **MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

## **STRATEGIC PLAN**

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan:

(<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>)

- Goal A: Create sustainable economic growth for the Port and beyond.
- Goal B: Maintain and aggressively grow core businesses.

## **LIVING WAGE**

Based upon a review of the terms and conditions of the *SUP* and information provided by the tenant, living wage requirements may apply to this *SUP* because the contract is for a value greater than \$50,000. However, the condition of the tenant employing 21 or more employees, must also be met for the tenant to comply with the living wage requirements and all of its obligations.

## **ENVIRONMENTAL**

CEQA Determination: Amending the *SUP* with AIM has been determined to be categorically exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15301, Existing Facilities, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The amendment will not have a significant effect on the environment and therefore will not require further environmental review.

## **GENERAL PLAN**

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

## **OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)**

The Owner Controlled Insurance Program (OCIP) does not apply to the matters addressed by this Agenda Report as they are not capital improvement construction projects.

## **OPTIONS**

- Adopt an Ordinance authorizing the Executive Director to execute *Amendment No. 1 to Space/Use Permit* with Technical Education Services, Inc. d/b/a the Aviation Institute of Maintenance that would extend the *SUP* through April 30, 2018 and increase rent to \$35,702.07 per month and retain an educational/training facility and related jobs. This is the recommended action;
- Do not approve an Ordinance authorizing the Executive Director to execute *Amendment No. 1 to Space/Use Permit* with Technical Education Services, Inc. d/b/a/ the Aviation Institute of Maintenance which would result in the loss of \$35,702.07 per month and an educational/training facility and related jobs; or,
- Do not approve *Amendment No. 1 to Space/Use Permit* with Technical Education Services, Inc. d/b/a/ the Aviation Institute of Maintenance but recommend different terms and conditions for modifying the *SUP*.

## **RECOMMENDATION**

Adopt an ordinance authorizing execution by the Executive Director of the proposed *Amendment No. 1 to Space/Use Permit* with Technical Education Services, Inc. d/b/a the Aviation Institute of Maintenance to extend the term of the *SUP* through April 30, 2018 and increase rent to \$35,702.07 per month, subject to approval as to form and legality by the Port Attorney.