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BOARD OF PORT COMMISSIONERS CITY OF OAKLAND

RESOLUTION APPROVING THE PROPOSED BUSINESS TERMS AND CONDITIONS TO BE INCORPORATED INTO A SECOND SUPPLEMENTAL AGREEMENT WITH KAISERAIR, INC. FOR THE PREMISES AND FACILITIES, INCLUDING HANGAR 3 WEST, HANGAR 4, AND RELATED AIRFIELD AIRCRAFT APRON AND MOTOR VEHICLE PARKING SPACES, FOR AN ADDITIONAL TERM OF FOUR YEARS AND ELEVEN MONTH THROUGH DECEMBER 31, 2023 AND RENTAL OF \$107,546 PER MONTH, AT THE NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT AND MAKING FINDINGS AND DETERMINING TO TERMINATE NEGOTIATIONS AND PROCEEDINGS FOR THE REDEVELOPMENT OF HANGARS 2, 230C & 230D, AND THE ADJACENT AIRCRAFT ARPON AND VEHICLE PARKING LOT.

WHEREAS, KaiserAir, Inc. ("KaiserAir") and the City of Oakland, a municipal corporation, acting by and through its Board of Port Commissioners ("Port") have entered into a Lease dated December 1, 1998, as amended by a First Supplemental Agreement dated October 2, 2007 (as amended, the "Lease"), for premises on the North Field of Oakland International Airport serving as a Fixed Base Operator; and

WHEREAS, the term of the Lease will terminate on January 31, 2019; and

WHEREAS, KaiserAir and Port staff have been negotiating a proposed lease of Hangars 2, 230C & 230D and the adjacent aircraft apron and vehicle parking lot ("Hangars 2+ Premises")

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item 6.1, dated September 27, 2018 ("Agenda Report") and related materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore, be it

RESOLVED, that the Board hereby approves of the proposed business terms and conditions detailed in the Agenda Report to be incorporated into a Second Supplemental Agreement with KaiserAir for its premises and facilities at the North Field at Oakland International Airport, including an extended term through December 31, 2023 and monthly rent at \$107,546.37, and authorizes Port staff to negotiate the Second

Supplemental Agreement based on these proposed terms and conditions, subject to Board approval of the Second Supplemental Agreement; and be it

FURTHER RESOLVED, that, in the absence of successfully negotiating a Second Supplemental Agreement, the Board hereby authorizes Port staff to provide written consent to KaiserAir to allow for continued occupancy of the premises on a month-to-month holding-over basis commencing February 1, 2019 and provide written notice to KaiserAir of rental adjustment detailed in the "Analysis" section of the Agenda Report (\$107,546.37 monthly rent), and charging KaiserAir the applicable facilities Monthly Rate for Building Nos. L308 and L411, as title to these buildings will pass to the Port as of January 31, 2019; and be it

FURTHER RESOLVED, that the Board hereby approves the termination of negotiations with KaiserAir for the redevelopment of the Hangars 2+ Premises; and be it

FURTHER RESOLVED, that the Board hereby finds and determines that KaiserAir has not made sufficient progress in meeting the requirements for a Port Development Permit as described in the Agenda Report, and has failed to pay the required permit fees, and therefore, the Board hereby disapproves KaiserAir's Port Development Permit Application No. 5109; and be it

FURTHER RESOLVED, that the Board hereby authorizes the Port's reimbursement to KaiserAir for documented, third-party geotechnical consulting services in an amount not to exceed \$50,000, provided that KaiserAir delivers all completed reports and proof of payment; and be it

FURTHER RESOLVED, that the Board hereby finds and determines that (i) the Board action to extend the Lease for four years and eleven months is categorically exempt from requirements of 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, and (ii) the Board action to terminate negotiations with KaiserAir for the redevelopment of the Hangars 2+ Premises and disapprove KaiserAir's Port Development Permit Application No. 5109 is considered not a "Project" under CEQA, and is not subject to CEQA under the general rule in Section 15061(b)(3) of the CEQA Guidelines which states that CEQA applies only to activities that have a potential for causing a significant effect on the environment; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on

the part of the Board or any officer or employee of the Board. This resolution does not approve or authorize the execution of the Second Supplemental Agreement. Unless and until the Board has approved and authorized a separate written agreement, such agreement is duly executed on behalf of the Board as authorized by a future ordinance, such agreement is signed and approved as to form and legality by the Port Attorney, and such agreement is delivered to the other contracting party, there shall be no valid or effective agreement; and be it

FURTHER RESOLVED, that in acting upon the matters contained herein, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related materials and in testimony received.

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