

Negotiations resulted in a monthly rent of \$2,200 with 4% annual escalations. Approval of the Third Amendment will generate \$2,673 in additional revenue for the Airport Enterprise budget (BU 9002) for the remainder of FY2012/13. Total revenue of \$26,664 will be generated for FY2013/14.

Potential revenue over the lease extension is \$528,623: \$142,991 over the initial 5-year term and an additional \$385,632 over the two option terms, if exercised by T-Mobile.

All maintenance and utility costs associated with the facility will remain the responsibility of T-Mobile. There is no impact to the General Fund.

ALTERNATIVES:

The Board may:

1. Approve the Third Amendment with any modifications as desired by the Board. This alternative will require approval of the modifications by T-Mobile.
2. Choose not to approve the Third Amendment and let the lease expire on March 31, 2013. This alternative is not recommended as the operation of the wireless communications facility by T-Mobile does not interfere with operations at the Nut Tree Airport, and approval of the Third Amendment provides an increased revenue stream to the Airport Enterprise for the next five to fifteen years.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Third Amendment for legal sufficiency. The Airport Manager has reviewed the Third Amendment and supports the departmental recommendation.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION