

January 26, 2021

County of Ventura
Board of Supervisors
800 S. Victoria Avenue
Ventura, CA 93009

Subject: Authorization for the Director of Airports to Provide Rent Relief for up to Four Months to Airfield Tenants Impacted by the 2021 Runway Reconstruction Project at Oxnard Airport in the Not-to-Exceed Amount of \$356,945; Supervisorial District No. 5

Recommendation:

Authorize the Director of Airports to provide rent relief for up to four months to airfield tenants impacted by the 2021 runway reconstruction project at Oxnard Airport in the not-to-exceed amount of \$356,945.

Fiscal/Mandates Impact:

Mandatory: *No*
Source of funding: *None*
Impact on other departments: *None*

<u>Summary of Revenue and Total Costs</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
Revenue*:	\$ (89,236)	\$ (267,709)
Direct Costs	<u>0</u>	<u>0</u>
Net Costs – Airport Enterprise Fund	<u>\$ 89,236</u>	<u>\$ 267,709</u>

**Reflects loss of anticipated revenue for up to four months.*

Current Fiscal Year Budget Projection:

FY 2020-21 Budget Projection for Oxnard Airport Operations – Division 5000 Unit 5003				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$605,114	\$609,955	\$609,955	\$0
Revenue	494,471	494,471	494,471	0
Net Cost	\$110,643	\$115,484	\$115,484	\$0

Discussion:

On June 16, 2020, your Board approved the final design services contract for the reconstruction of the runway, connector taxiways and Taxiway F at Oxnard Airport (Project) and authorized the Department of Airports (Department) to accept a grant from the Federal Aviation Administration (FAA) to help fund the design. The Oxnard Airport Project design is on schedule at just over 60% design and it is also on track for FAA construction grant funding in 2021.

Because Oxnard Airport has but a single runway, any Project phasing requires periods of runway closure. The final design contract approved by your Board allowed for the Project team to present several different construction phasing alternatives to tenants and the public in order to receive feedback on preferred phasing that could be incorporated into the Project design. Alternatives presented included a full runway closure alternative as well as options that allowed for limited availability of the runway.

The results of the two public workshops and interviews with airfield businesses has led the design to focus on a full runway and taxiway closure. While this alternative allows for the safest, most efficient and cost effective construction phasing, it will not allow tenants or airfield businesses to utilize the runway for the duration of the Project, which is anticipated to take up to four months.

Therefore, staff requests your Board allow the Department to offer rent relief for up to four months to assist airfield tenants impacted by the Project, in the not-to-exceed amount of \$356,945. This figure represents the maximum anticipated revenue plus a ten percent contingency, that would be received by the Department from airfield tenants over a four month period that would be impacted by the runway closure. Each eligible tenant would be limited to a waiver of rent in amounts that would not exceed four months of their normal hangar rent.

Rent relief would be available to each airfield tenant, commercial or private, that requires use of the runway. Rent relief would be available only to tenants in good standing, who are not in breach of their leases. Waiver of rents would begin the first day of the project requiring full runway closure and would end the last day full runway closure is required, up to the maximum amount of monthly hangar rent. Rent relief would not be offered for any temporary closures (overnight) or for closures less than 24 hours. Non-airfield based business tenants would not be eligible for rent relief.

Though the Department investigated several relief alternatives, including temporary relocation to tie downs (outside aircraft storage) at Camarillo Airport, staff concluded that rent relief would offer tenants the most flexibility, especially since Camarillo Airport cannot guarantee a space for all displaced Oxnard Airport tenants, either in number of tie-downs available or in comparable accommodations. Additionally, any closure of this duration can significantly impact airfield businesses, as they cannot relocate.

As an enterprise fund, revenue is critical to the financial health of the Airport. So too, is the financial health of our airfield tenants and businesses that pay into the enterprise fund. Rent relief is not offered lightly, nor for most projects, even when a temporary closure of the runway is required. However, this case is distinguished by the duration of the closure and the limited options available, especially for our airfield businesses. The Airport has adequate cash reserves to absorb the anticipated loss of revenue and operations for the period contemplated.

The County Executive Office, the Auditor-Controller's Office, and County Counsel have reviewed this item, and the Aviation Advisory Commission and the Oxnard Airport Authority recommend its approval.

If you have any questions regarding this item, please call Erin Powers at 388-4205, or me at 388-4372.



for

KIP TURNER, C.M.
Director of Airports



**BOARD MINUTES
BOARD OF SUPERVISORS, COUNTY OF VENTURA, STATE OF CALIFORNIA**

**SUPERVISORS MATT LAVERE, LINDA PARKS,
KELLY LONG, ROBERT O. HUBER AND CARMEN RAMIREZ
January 26, 2021 at 8:30 a.m.**

CONSENT – DEPARTMENT OF AIRPORTS – Authorization for the Airports Director to Provide Rent Relief for up to Four Months to Airfield Tenants Impacted by the 2021 Runway Reconstruction Project at Oxnard Airport in the Not-to-Exceed Amount of \$356,945; Supervisorial District No. 5.

(X) All Board members are present.

(X) Upon motion of Supervisor Ramirez, seconded by Supervisor Long, and duly carried, the Board hereby approves the recommendations as stated in the respective Board letters for Consent Items 12 – 25, with a revised Board letter for Item No. 15.

By:

A handwritten signature in cursive script that reads "Lori Key".

Lori Key
Deputy Clerk of the Board