



**Proposed Lease with Jet Aviation, Inc.  
Fixed Base Operation at Van Nuys Airport**

Los Angeles World Airports  
Board of Airport Commissioners  
January 14, 2016

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## “BaseNet Site” Background

- Developed pursuant to a lease with Performance Aircraft, which was later assigned to J & D Air, then to Pentastar, and finally assigned to BaseNet, a Pentastar shareholder
- Lease expired January 6, 2013. BaseNet filed Chapter 7 and site has been managed by trustee of bankruptcy court for 15 months
- Functioned as a FBO site since 1983; annual fuel throughput of approx. 1.2 million gallons
- 90%+ of the buildings on the site exceed 40 years in age and have both code and hazmat challenges as a result
- VNY Master Plan of February 2006, designated site for aviation use, consistent with FBO uses
- VNY Real Estate Redevelopment Plan was adopted after an outreach process from 2011 to 2013, with input from all stakeholders.
  - Identified site as the #1 redevelopment opportunity, in part due to its prominent location, aged/obsolete facilities, and poor “front door” for VNY



## Competitive Process

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- **August 2013:** RFQ released; nine responses received
- **April 2014:** Board approved five respondents as eligible to receive the RFP, as these proposers scored more than the required 85 points established as the threshold in the RFQ
- **January 2015:** Board designated all nine respondents as eligible to receive the RFP on the advice of the City Attorney
- **February 2015:** RFP issued to nine qualified firms including:
  - American Airports Corporation
  - Atlantic Aviation FBO, Inc.
  - Castle & Cooke Aviation Services, Inc.
  - Clay Lacy Aviation, Inc.
  - FBO Investment VNY, LLC
  - Jet Aviation of America, Inc.
  - Piedmont Hawthorne Aviation, LLC (dba Landmark Aviation)
  - Signature Flight Support Corporation
  - Sun Air Jets, LLC
- **May 2015:** Two responses to the RFP were received
  - Jet Aviation
  - FBO Investments VNY
- **October 2015:** Evaluation Panel concluded the proposal review and interview process and unanimously ranked Jet Aviation's proposal #1

## Lease Terms

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- **Investment:** Required minimum of \$40 million for redevelopment of the entire site with completion estimated in three years
- **Premises:** 17.4 acres
- **Term:** 30 years
- **Allowable Uses:** Fixed Based Operator and related services, including aircraft maintenance
- **Minimum Annual Jet fuel Guarantee:** 760,000 gallons, generating at least \$83,000 in annual LAWA revenue
- **Rent:** \$936,016 in year one; with at least \$28 million over the term
- **Acquisition Fee:** For existing LAWA-owned facilities \$700,000 (likely to be demolished)
- **Annual Funding:** At least \$0.5 million for improvements and maintenance
- **CEQA:** Development will require a CEQA analysis upon submission to LAWA of Jet Aviation's Conceptual Development Plan

## Benefits of Jet Aviation Proposal

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- **Increased annual revenue for LAWA:**
  - Under now-expired BaseNet lease: \$720,000
  - Currently under Chapter 7 Trustee: \$285,000
  - Initially under Jet Aviation lease: \$936,000
  - After site development by Jet Aviation: \$1,140,000
- **Benefits to VNY and the local economy:**
  - The lease will require investment of \$40 million that is guaranteed by General Dynamics, a Fortune 100 Company traded on the NYSE
  - The project has an estimated impact of \$89 million to the local economy
  - The business is forecast to provide 230 high-wage jobs, many of which are skilled jobs related to aircraft maintenance

## Proposed Concept



View from Roscoe Boulevard

