



Legislation Details (With Text)

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Title: Actions related to the Second Amendment to the Land Lease and Agreement with Sandhu Brothers Gas Station, Inc.:
1. Adopt a finding of Categorical Exemption pursuant to Class 1 Section 15301(c) (existing facilities) of the California Environmental Quality Act (CEQA) Guidelines for the Second Amendment to the Land Lease and Agreement;
2. Approve the Second Amendment to the Land Lease and Agreement with Sandhu Brothers Gas Station, Inc., at Fresno Yosemite International Airport to terminate the sublease between Sandhu Brothers due to the acquisition of SNL Corporation by Sandhu Brothers and to update to the insurance requirements (Council District 4)

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. 08-16-2018 Second Amendment to Land Lease and Agreement with SNL Corporation at Fresno Yosemite International Airport.pdf

Date	Ver.	Action By	Action	Result
8/16/2018	1	City Council	approved	

REPORT TO THE CITY COUNCIL

August 16, 2018

FROM: KEVIN R. MEIKLE, Director of Aviation
Airports Department

SUBJECT

Actions related to the Second Amendment to the Land Lease and Agreement with Sandhu Brothers Gas Station, Inc.:

1. Adopt a finding of Categorical Exemption pursuant to Class 1 Section 15301(c) (existing facilities) of the California Environmental Quality Act (CEQA) Guidelines for the Second Amendment to the Land Lease and Agreement;
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RECOMMENDATIONS

Staff recommends that the City Council adopt a finding of Class 1 Categorical Exemption, pursuant to Section 15301(c) of the CEQA Guidelines, and authorize the Director of Aviation to execute an amendment to the existing land lease and agreement with Sandhu Brothers (Sandhu) to terminate the sublease with SNL Corporation due to the acquisition of SNL Corporation (SNL) by Sandhu at Fresno Yosemite International Airport (FAT).

EXECUTIVE SUMMARY

Sandhu would like to change the name on the Valero Service Station agreements with the Airport and operate the facility under the SNL name from this point forward. In January 2018 Sandhu terminated its sublease with SNL for operation of the gas station located at 3147 N. Clovis Avenue, Fresno, CA. Subsequently, Sandhu acquired SNL and now wishes to continue operating the location under the SNL name.

BACKGROUND

Sandhu assumed the original agreement from Beal Properties, Inc., on April 15, 2005. Sandhu operated the gas station until September 1, 2013, after which Sandhu entered into a sublease with SNL. SNL ran the day-to-day operations of the facility and made the monthly rental payments. In January 2018, Sandhu terminated the sublease with SNL and took over the day-to-day operations and payments. In June 2018, Sandhu acquired the SNL name and began operating the facility under that name. The Second Amendment modifies agreement language to accommodate Sandhu's new operating arrangement.

Additionally, because the insurance requirements have not been updated since the original 1998 agreement, the Second Amendment brings all insurance requirements current for operation of a gas station and convenience store at the location.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in CEQA Guidelines Section 15301(c) (existing facilities), which exempts operation and leasing of existing facilities, because the project includes leasing an existing Land Lease and will involve no expansion of use. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

LOCAL PREFERENCE

Local preference is not applicable because this is an amendment to an existing agreement.

FISCAL IMPACT

There is no change to the annual revenue generated by the Agreement, which is currently \$139,905. All revenues generated from the Agreement will be deposited into the Airport Enterprise Fund and contribute to the operation and maintenance of FAT. There is no impact to the General Fund from this action.

Attachment:

- Second Amendment to Land Lease and Agreement with SNL Corporation at Fresno Yosemite International Airport