



Ames Research Center

in Silicon Valley



MOFFETT FEDERAL AIRFIELD LEASE

OVERVIEW

FEBRUARY 2015



VISION AND GOALS FOR MFA LEASE

1. Rehabilitate and maintain historic integrity of Hangar One and Shenandoah Plaza Historic District;
2. Eliminate NASA's operating and maintenance costs to operate MFA;
3. Leverage the expertise of the real estate industry to reposition MFA as a valuable asset to support Government and controlled public and private flight operations;
4. MFA outlease consistent with the 2002 NASA Ames Development Plan and Final Programmatic EIS (FPEIS);
5. Provide net financial proceeds to the Government; and
6. Obtain best value for the Government through open public competition.



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**LEASE IS STRUCTURED TO
ACCOMPLISH NASA'S VISION AND
GOALS BY:**



LEASE PREMISES

The lease premises contains 1,000.1 acres, consisting of the following buildings and facilities: Hangar One, Hangar Two, Hangar Three, Building 158, the Airfield and the Golf Course.





LEASE TERM

- Initial Term: Sixty (60) Years.
- Right to Terminate: Due to significant investment, PV has the unilateral right to terminate as of each of the following dates: September 30, 2029; September 30, 2044; and September 30, 2059. PV cannot terminate prior to Hangar 1 re-skinning.
- Extension Terms: PV has the unilateral right to extend the Initial Term for up to three (3) additional consecutive twelve (12) year periods.
- PV and NASA are currently in a lease transition period. The lease will commence 10 business days after PV receives acceptable Bona Fide Prospective Lessee Letters from the EPA and Water Board.



CONCEPTUAL DEVELOPMENT PLAN

- Formulated as part of MFA lease
- Prioritizes the preservation of historic resources at MFA and protects MFA's historic integrity and/or character
- Six separate but interconnected projects:
 - Hangar One: re-skin and rehabilitate for R&D use
 - Hangars Two and Three: immediately rehabilitate for R&D uses
 - Airfield: refurbish (concrete, NAVAIDS, lights) and operate to Part 139 Class 4 standard; install LED airfield lighting and possibly GPS WAAS approach
 - B158 (Control Tower): evaluate structure for continued use for air traffic control; potentially rehabilitate or replace with new construction
 - Golf Course: refurbish course and clubhouse w/eco-friendly approach; upgrades to course to enhance playing experience; relocate CANG munitions storage areas to CANG Cantonment Area
 - Education Facility: select best site and construct 90,000 sq. ft. education and public use facility



1) REHABILITATE AND MAINTAIN HISTORIC INTEGRITY OF HANGAR ONE AND SHENANDOAH PLAZA HISTORIC DISTRICT

- **PV to rehabilitate and adaptively reuse historic Hangars One, Two and Three**
- **Hangar One**
 - Re-skinning: 2 years from approval of all permits and approvals by NASA & other regulatory agencies
- **Hangar Uses**
 - R&D, including testing and light assembly uses related to space, aviation, rover/robotics and other emerging technologies
- **MFA Lease revenue can be used for repair and rehabilitation of other historic resources across the Agency**
- **Permits NASA to meet its mandates under NHPA to protect and preserve historic assets across the Agency**



2) REDUCE NASA'S O&M COSTS TO OPERATE MFA

- **NASA currently spends \$7.4 million annually on MFA**
 - Of this total, NASA will save \$6.3 million annually (based on 2013 dollars)
 - Over 60 years these savings will total \$378 million
- **NASA reserves 8,000 operations for itself, CANG, and Army**
 - No charges to NASA, CANG, or Army for take-off, landing and through the gate operations
 - CANG to continue to provide ATC services
 - NASA Research Park partners' use of MFA subject to PV's MFA charges
- **NASA to pay its pro rata share of Airfield Rescue and Fire Fighting (ARFF) costs**
 - 8 percent of airfield rescue and fire fighting service costs
 - NASA and PV to explore how to lower ARFF costs in future



3) LEVERAGE THE EXPERTISE OF THE REAL ESTATE INDUSTRY TO REPOSITION MFA AS A VALUABLE ASSET

- **PV/Google real estate department professionally managed and operates at a large scale**
- **PV has prepared a Conceptual Development Plan for MFA**
 - Identified Initial Projects and uses of MFA
 - Enhances MFA assets and results in full utilization
 - Returns Hangar One to productive use
- **Government use of Airfield will benefit from PV's proposed improvements to Airfield**
 - Refurbished runways and taxiways to reach Pavement Condition Index of PCI 60+
 - Refurbished air traffic control facility



4) MFA OUTLEASE CONSISTENT WITH THE 2002 NASA AMES DEVELOPMENT PLAN AND FINAL PROGRAMMATIC EIS (FPEIS)

- PV's planned use of the Premises is anticipated to be in conformance with 2002 NADP FPEIS
- Lease allocates 90,000 square feet of existing NADP entitlement for new development
- PV to cover NASA's full costs in serving as the lead agency for NEPA compliance



5) PROVIDE NET FINANCIAL PROCEEDS TO THE GOVERNMENT

- **Base Rent:**
 - \$10.25M in Lease Years 1 through 3
 - \$15.5M in Lease Years 4 through 10
 - \$15.75M in Lease Year 11
 - \$20.5M in Lease Years 12 through 60
- **Total Base Rent Payments: \$1.16 billion (cumulative) over 60 years**
- **Security Deposit: \$2 million**
 - Deposit forfeited if Hangar One is not re-skinned
- **Institutional Shared Service (ISP) costs included in Base Rent**
- **Reimbursement of NASA Costs for:**
 - Demand services
 - Utility O&M costs for portions of NASA-managed utility systems within Premises
 - ARFF Services



FINANCIAL CONSIDERATIONS

- Over \$200M of investment on the leased Premises
 - Rehabilitation of Hangar One
 - Rehabilitation of Hangars 2 and 3
 - Renovation of Golf Course and club house
 - Runways and air traffic control facility refurbished
- 8,000 reserved flights for NASA, CANG and Army at no additional charge
- Saving of approximately \$6.3M annual costs on MFA (includes savings related to operating and maintaining airfield and ARFF services), \$378M of cost savings over 60 years
- Rent revenue of \$1.16B over initial term (\$10M years 1-3, \$15.5M years 4-10, \$15.75M year 11 and \$20.5M in years 12-60)
- Reimbursement to NASA for demand services, utility O&M and ARFF services
- Future improvements to infrastructure and utility systems

6) OBTAIN BEST VALUE FOR GOVERNMENT THROUGH OPEN PUBLIC COMPETITION

- RFP advertised in FedBizOpps and local business Journal
- Tours conducted May 19th to July 19, 2013
- Two qualified proposals received
- Proposer presentations held January 2014
- PV offered best terms to Government – selected in February 2014