



City of Santa Barbara
Airport Department

DATE: April 15, 2015
TO: Airport Commission
FROM: Hazel Johns, Airport Director
SUBJECT: Lease Amendment Agreement – MAG Aviation Fuel

RECOMMENDATION:

That Commission recommend that City Council approve and authorize the Airport Director to execute a second amendment to Agreement No. 23,017, as amended July 1, 2010, between MAG Aviation Fuel, a Partnership and the City of Santa Barbara, for operation of a self-service aviation fueling facility, at 1600 Cecil Cook Place, at the Santa Barbara Airport, effective upon the adoption of the enabling Ordinance, to allow a one year waiver of the scheduled CPI rental adjustment.

DISCUSSION:

The subject Premises is located south of Hollister Avenue in an Airport Facilities (AF) zone.

MAG Aviation Fuel constructed an AvGas self-fueling facility on 11,250 square feet of ramp at 1600 Cecil Cook Place. MAG received their final approval to operate by the City Building Department on April 7, 2010. Maintenance of the 12,000 gallon tank and containment system requires regular inspection and testing of the fuel in the tank. The agreement was amended to allow one tie-down on the leasehold for the temporary use of contractors or employees to allow them to fly in to do the required testing and visual inspections required.

The Airport has granted a five-year option to MAG Aviation Fuel, beginning April 7, 2015 and ending April 6, 2020. Upon notification of the Airport's intent to exercise its option to extend the agreement, MAG requested a reduction in the base rent from the current \$759 to \$675 (the initial base rent effective in 2010.) After comparing the rental rates paid by other tenants on the field for aviation ramp, the Airport concluded that the current \$.07 per square foot paid by MAG for aviation ramp was at market rate and no CPI increase should take place this year.

In order to waive the CPI adjustment for one year, an amendment to the agreement was required.

The proposed Lease Amendment Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division

ATTACHMENT: Map