



City of Santa Barbara
Airport Department

Meeting: 11/29/17
Agenda Item No. 6

DATE: November 29, 2017
TO: Airport Commission
FROM: Hazel Johns, Airport Director *HJ*
SUBJECT: Lease Agreement – Spitfire Flight School, Inc.

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a two-year Lease Agreement, with a single one-year Airport discretionary option, with Spitfire Aviation, Inc., a California Corporation, for a flight school located at 300 Moffett Place effective November 1, 2017. The rental rate is a stepped structure which increases from \$1.10 per square foot to \$1.20 per square foot after six months. For the remaining term, the rent will increase by 5% annually.

DISCUSSION:

Spitfire Flight School, Inc. dba Spitfire Aviation has been operating a flight school in Building 122 on Moffett Place since 1999. The original owner of the flight school sold the business to new investors in 2015. At the time of transition, the Airport executed a Lease Agreement for a term of one-year, with one single year option. It is this agreement that is set to expire on October 31, 2017.

Over the last two years, Spitfire Aviation has operated as a Part 61 flight school while seeking designation by the Federal Aviation Administration as a Part 141 flight school. The latter type of flight school has a strict syllabus that must be followed exactly, and may be the type of flight school preferred by students seeking to become professional pilots. Spitfire Aviation intends to place special focus on the training of foreign students who come to the U.S. for their pilot's license, but also plans to continue and expand its instruction to local area students.

The initial rate for the first six months reflects a 17% increase to \$1.10 sf. The rate increases to \$1.20 sf (+9%) for the second six months. In year 2, the rate increases to \$1.26 sf (+5%). The rates are stepped to enable the tenant sufficient time to build business, obtain final Part 141 approval, as well as allow the Airport time to finish improvements to the building. The building is slated to receive new windows, refacing of the outside to patch holes, replacement of the exterior door, an ADA ramp to the front door, as well as landscaping. The poor visual presentation of the building as it exists now has made it difficult for the tenant to build business.

The tenant will also pay utilities of \$23.99 per unit or metered amount, whichever is greater, for water, and \$15.39 for sewer service.

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

PREPARED BY: Business Development/Properties

