City of Santa Barbara
Airport Department

DATE: November 29, 2017
TO: Airport Commission
FROM: Hazel Johns, Airport Director
SUBJECT: Lease Agreement - The Water Store

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a two-year Lease Agreement with The Water Store, a California Corporation, for a water purification and direct resale of processed water located at 94 Frederick Lopez Road, Suite B effective December 1, 2017 (including pro-rated rent at new rate for the period November 29-30, 2017 in the first month’s rent payment). The rental rate is $1.85 per square foot for 1,520 square feet of space. The total annual rent is $33,744 payable in monthly installments of $2,812. The lease includes an annual Consumer Price Index (CPI) increase of no less than 3% and no more than 8%.

DISCUSSION:

The subject premises is located north of Hollister Avenue in an Airport Industrial AI-1) zone.

The Water Store is a local business which purifies municipal water to improve quality and taste for consumers. The business was located in the near the Magnolia Shopping Center in Goleta for many years. Upon losing its lease in 2016, The Water Store relocated to 94 Frederick Lopez Road, Suite B as a subtenant. The lease agreement for the prime lessor, Reson/Teledyne of Thousand Oaks, is set to expire on November 28, 2017. As a result, the Airport seeks to enter a direct lease agreement with The Water Store.

In addition to rent for the space, the tenant will pay utilities of $23.99 per unit or metered amount, whichever is greater, for water, and $15.39 for sewer service. A deposit will be required of 1.5 times the monthly rent.

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

ATTACHMENT: Map