DATE: December 20, 2017

TO: Airport Commission

FROM: Hazel Johns, Airport Director

SUBJECT: Lease Agreement – Athena Contractors, Inc.

RECOMMENDATION:

That Airport Commission approve and authorize the Airport Director to execute a two-year Lease Agreement with Athena Contractors, Inc., a California Corporation, for 2,040 square feet of office space, 1,240 square feet of warehouse space, and 3,700 square feet of yard space in Building 223, at 94 Frederick Lopez Road, Suite C, at the Santa Barbara Airport, effective December 1, 2017, for a total annual rental of $71,040 payable in monthly installments of $5,920.

DISCUSSION:

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

Athena Contractors, Inc. is a local contractor who previously was a subtenant of Reson/Teledyne of Thousand Oaks. That sublease expired on November 28, 2017. As a result, the Airport seeks to enter into a direct lease agreement with Athena Contractors, Inc. for office and warehouse space used for receiving, storing, and shipping construction materials. The use conforms to existing zoning.

The proposed monthly rental is based on a rate of $1.75 per square foot for office, $1.00 per square foot for warehouse, and $0.30 per square foot for yard. 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 lease includes an annual Consumer Price Index (CPI) increase of no less than 3% and no more than 8%.

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/Marketing

ATTACHMENT: Map