



City of Santa Barbara
Airport Department

Meeting: 3/21/18
Agenda Item No. 13

DATE: March 21, 2018
TO: Airport Commission
FROM: Hazel Johns, Airport Director
SUBJECT: Rescind Lease Agreement Authorization – Athena Contractors, Inc.

RECOMMENDATION:

That Airport Commission rescind authorization for 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. The Commission authorized this Agreement in December 2017 and subsequent final negotiations have failed to result in an executed Agreement.

DISCUSSION:

Athena Contractors, Inc. is a local contractor that previously was a subtenant of Reson/Teledyne at 94 Frederick Lopez Road. The Airport's lease with Reson/Teledyne ended on November 28, 2017. As a result, Athena Contractors initially sought to enter into a direct lease with the Airport for the space. The intended use was for office and warehouse space for receiving, storing, and shipping of construction materials.

Athena Contractors was paying slightly lower rent as a subtenant than the Airport Commission-approved rates, but agreed to the increased rent. However, upon Athena's legal review of the proposed Lease Agreement, the company disagreed with three key provisions concerning environmental protections, stormwater plan requirements as well as potential risk for mandatory disabled assess upgrades. Athena determined that these City standard provisions were insurmountable and decided to end negotiations.

Athena Contractors has paid rent and all costs in accordance with the new proposed terms since November 29, 2017 and will continue to pay to occupy the space under a temporary use permit until it vacates the premises at the end of March 2018.

PREPARED BY: Business Development/Marketing