



City of Santa Barbara
Airport Department

DATE: November 26, 2018
TO: Airport Commission
FROM: Aaron Keller, Interim Airport Director *AK*
SUBJECT: Lease Agreement – Strahan & Montanes Enterprises, Inc.,
dba Arcady Distributing

RECOMMENDATION:

That Airport Commission approve and authorize the Airport Director to execute a five year (5) Lease Agreement with Strahan & Montanes Enterprises, Inc., a California Corporation, dba Arcady Distributing (Arcady), for 3,200 square feet of office and warehouse space and 3,500 square feet of land, in Building 345 at 100-B Clyde Adams Road, effective December 1, 2018, for a monthly rental of \$4,970.00, exclusive of utilities.

DISCUSSION:

The subject Premises are located south of Hollister Avenue in an Airport Industrial (AI-1) zone. Arcady has been an Airport tenant in good standing since 1984, leasing warehouse and office space for a wholesale beverage business. The use conforms to existing zoning.

Arcady's current lease expires November 30, 2018. At this time, they wish to enter into a new five (5) year lease agreement.

The proposed monthly rental is based on a blended office/warehouse rate of \$1.22 per square foot for the building and \$.30 per square foot for the land, which is within the parameters of lease rates approved by the Commission. The rate is also comparable to other buildings and land on the Airport for similar use and in similar condition. The proposed rent represents a 3.7% increase over the previous year.

Arcady will also pay monthly utilities charges of \$23.09 for water and \$15.39 for sewer, or the metered amount, whichever is greater.

The proposed Lease 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 Development/Properties