



**City of Santa Barbara**  
Airport Department

Meeting: 7/12/18  
Agenda Item No. 3

**DATE:** July 12, 2018  
**TO:** Airport Commission, Lease Review Subcommittee  
**FROM:** Hazel Johns, Airport Director  
**SUBJECT:** Hangar 4B, 495 S. Fairview Avenue

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**RECOMMENDATION:**

That the Lease Review Subcommittee receive a staff presentation regarding future use of Hangar 4B at 495 S. Fairview Avenue.

**DISCUSSION:**

The subject Premises is located on the east side of the Airport and situated on 22.97 acres of improved land in an Airport Facilities (AF) zone.

On May 9, 2018, the large multi-hangar facility at 495 S. Fairview Avenue reverted to City ownership in accordance with a 50-year ground lease signed in 1968 by the City and then tenant Aero Spacelines to build and operate hangars in the northeast portion of the Santa Barbara Airport airfield. In the late 1990s, the Lease for the hangars was acquired by Ampersand Aviation which has since that time managed and sublet hangar space to numerous other tenants. This use conforms to zoning for Aviation Facilities (AF).

In conjunction with the reversion, the City negotiated a settlement agreement with Ampersand Aviation in order to assure the orderly transfer of the property to the City. As part of the settlement agreement, the Airport agreed to lease a portion of the most southerly hangar, Hangar #4B, to Ampersand Aviation for the storage of one corporate aircraft. The Airport provided a lease agreement draft in accordance with the terms negotiated for the space in the settlement agreement. However, it eventually became clear that Ampersand Aviation had decided that it did not want to lease the hangar space.

In May, the Airport Commission approved lease agreements with Signature Flight Support and Atlantic Aviation for other portions of the facility (Hangars #1, #2, and #4A) consistent with the Airport's strategy to delegate responsibility for management of the facility to the existing fixed base operators (FBOs) for a short-duration period while the overall FBO business undergoes redevelopment.

With the unexpected vacancy of Hangar #4B, the Airport remains committed to its strategy of delegating management of the hangar facilities to the existing FBOs. However, this vacancy provided the Airport with the opportunity to look beyond the storage of aircraft

and pursue a potentially higher and better use for the approximately 20,000 square feet of hangar space. Hangar #4B is also unique because it is the only hangar with its aircraft opening on the east side of the building, facing away from the airfield. The hangar also has adjoining ramp space that would not be easily used by any other tenant than the occupant of Hangar #4B.

The Airport determined that the hangar space could provide a higher overall benefit to the vitality of the Airport if a Part 145 maintenance facility could be established in the hangar, in possible co-location with storage of transient aircraft. Currently, Coastal Aviation Maintenance, a subtenant of Signature Flight Support in a 9,600 foot hangar on the north-side of the airfield is the most suitable candidate to operate such a maintenance facility. Coastal has openly shared with both Signature and the Airport its desire to relocate to a space that can accommodate large aircraft repair on the airfield.

The Airport plans to propose a lease agreement with Signature Flight Support for Hangar #4B under the stipulation that it will house Coastal Aviation Maintenance as a Part 145 maintenance facility, as well as utilize the hangar space to its fullest extent for transient aircraft storage as maintenance activity will allow. Based on the use as a maintenance facility, the proposed rental rate is \$1.00 per square foot. Adjacent available office space may be leased by Signature at the same rental rate.

**PREPARED BY:** Business Development