



City of Santa Barbara
Airport Department

Meeting: 01/16/19
Agenda Item No. 6

DATE: January 16, 2019
TO: Airport Commission
FROM: Aaron Keller, Interim Airport Director *AK*
SUBJECT: Lease Agreement – Northern Energy Services, LLC

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a two (2) year Lease Agreement, plus three (3) automatic one (1) year options to extend, with Northern Energy Services, LLC effective on or before May 1, 2019. The combined office/warehouse space is 2,300 square feet located in Building 2, Suite B, at 6100 Hollister Road for a monthly rental of \$3,680, exclusive of utilities and CAM charges. The automatic options are predicated on Lessee's compliance with all lease terms.

DISCUSSION:

The subject Premises are located in the Airport's new light industrial development north of Hollister Avenue in an Airport Industrial (A-I-1) zone. The development is currently under construction and is expected to be completed and ready for occupancy on May 1, 2019. Should construction be completed and a Certificate of Occupancy received prior to May 1, the tenant would like access to the premises.

Northern Energy Services, LLC is owned and operated by John C. Ellsworth who intends to utilize the facilities to store his collection of cars. The use conforms to existing zoning.

The proposed monthly rental is based on a rate of \$1.60 per square foot, which is within the parameters of lease rates approved by the Commission.

In addition, Northern Energy Services, LLC will pay: 1) monthly utility charges of \$23.09 for water and \$15.39 for sewer, or the metered amount, whichever is greater, 2) electrical utility services, and 3) a CAM rate of \$.05 to \$.08 per square foot depending on the finalized operating budget.

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