



City of Santa Barbara
Airport Department

Meeting: 03/20/19
Agenda Item No. 9

DATE: March 20, 2019
TO: Airport Commission
FROM: Henry Thompson, Airport Director 
SUBJECT: Lease Agreement – Inovati

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a two (2) year Lease Agreement, plus two (2) automatic one (1) year options to extend, with Inovati, effective on or before April 1, 2019. The combined office/warehouse space is 10,880 square feet located in Building 114 at 100 Frederick Lopez Road for an annual rental of \$189,312, exclusive of utilities. The automatic options are predicated on the Lessee's compliance with all lease terms.

DISCUSSION:

The subject Premises are located in Building 114 in an Airport Industrial (A-I-1) zone.

Inovati is an existing research & development (R&D) and light manufacturing tenant of the Airport and currently leases space just north of the airfield, in Building 312 on Cook Place. The company was recently awarded two significant government contracts that has led to a need to lease a larger space for their business. The building proposed for their relocation is located north of Hollister Avenue, adjacent to Direct Relief. The property previously housed another R&D business, Reson/Teledyne, and is well suited to the office, R&D, and manufacturing needs of Inovati. The use conforms to existing zoning.

The Lessee desires to install a roll-up door, as well as additional improvements to the building totaling \$48,000, which will enhance the building's long-term appeal for light industrial use. The Airport will credit back the \$48,000 over the first four months of the lease. The net effective rent is \$1.27, which is the midpoint for light industrial space rent, and is within the lease rate parameters approved by the Commission.

In addition, Inovati will pay: 1) monthly utility charges of \$23.09 for water and \$15.39 for sewer, or the metered amount, whichever is greater, and 2) electrical utility services.

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