



**City of Santa Barbara**  
Airport Department

Meeting: 09/23/20  
Agenda Item No. 7

**DATE:** September 23, 2020  
**TO:** Airport Commission  
**FROM:** Henry Thompson, Airport Director  
**SUBJECT:** Lease Agreement – Coastal Aviation Inc.

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**RECOMMENDATION:**

That Airport Commission approve and authorize the Airport Director to execute a four-year Lease Agreement plus a one-year option to extend at Airport's sole discretion, with Coastal Aviation Inc., a California corporation, for approximately 20,000 square feet of Hangar 15 and 2,686 square feet of adjacent office space in Building 244 located at 495 S. Fairview Ave., Santa Barbara, CA, effective January 1, 2021. Initial annual rent will be \$298,094 payable in monthly installments averaging \$24,841 plus a monthly apron use fee of \$500, monthly CAM proportion estimated at \$500, and utilities.

**DISCUSSION:**

The subject Premises are located south of Hollister Avenue in an Airport Facilities (AF) zone.

Coastal Aviation currently occupies the subject premises under a sublease agreement with Signature. The Santa Barbara Airport will be leasing the premises directly to Coastal Aviation.

Coastal Aviation will continue to operate as a maintenance facility providing its standard services to large aircraft, and will be required to provide service to General Aviation tenants based at the Santa Barbara Airport.

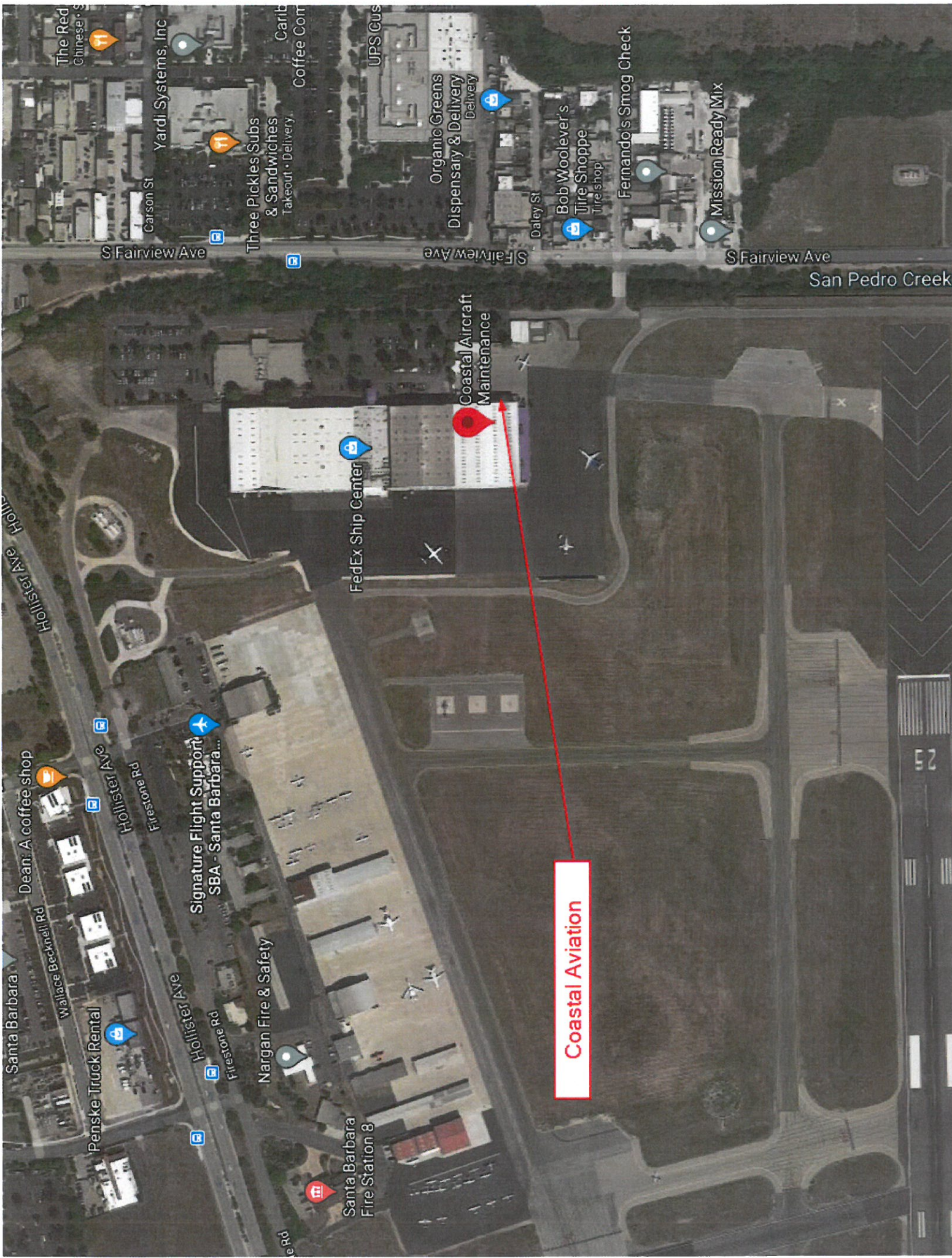
The proposed monthly rental will start at \$1.08 psf with two step increases within 12 months to arrive at a rate of \$1.14 psf in year 2, with annual increases thereafter tied to CPI (min. 3% and max. 8%). This is consistent with rates being charged for the hangar space at 495 S. Fairview.

In addition, Coastal will pay a monthly apron use fee of \$500, proportional share of CAM estimated at \$500 per month for FY 21, as well as monthly utility and electrical charges.

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

**ATTACHMENT:** Map



**Coastal Aviation**

Coastal Aircraft Maintenance

FedEx Ship Center

Signature Flight Support  
SBA - Santa Barbara...

Penske Truck Rental

Dean: A coffee shop

Santa Barbara

The Red Chinese

Yardi Systems, Inc

Three Pickles Subs & Sandwiches

Carib Coffee Com

UPS

Organic Greens Dispensary & Delivery

Bob Woolever's Tire Shop

Fernando's Smog Check

Mission Ready Mix

San Pedro Creek