



Agenda Report

MEETING DATE: Tuesday, December 13, 2022

TO: City Council

FROM: AIRPORT DIRECTOR WILLIAMS

THROUGH: CITY MANAGER MENDEZ

SUBJECT: APPROVAL OF FOUR-YEAR LEASE OF AIRPORT PROPERTY AT
220-B AIRPORT BOULEVARD TO SPRENKEL, INC.

RECOMMENDED ACTION:

It is recommended the City Council approve a four (4) year lease of an Airport property to Sprenkel Incorporated, a California corporation.

BACKGROUND:

Sprenkel Inc., is a janitorial and sanitary maintenance supply company providing janitorial products, supplies, paper products, cleaning chemicals, pool/spa supplies and food service supplies to the tri-county area.

Sprenkel, Inc., doing business as Mid Valley Supply, is a long tenured non-aeronautical leasehold. The City Council approved the initial Lease on September 23, 2014 and a number of lease renewals have occurred over the last ten years.

DISCUSSION:

The Airport has negotiated and reached agreement on lease terms for the 9,600 square feet of industrial office located at 220-B Airport Boulevard. Lease term is four years at a rate of \$0.95 per square foot, totaling \$9,120.00 per month and subject to standard CPI adjustments over the term, as noted in the attached lease document.

STRATEGIC PLAN:

Approval of this four year lease is aligned with the Municipal Airport's strategic plans and supports the enterprise fund mandate as a self-sustaining entity.

FINANCIAL IMPACT:

Current market conditions support a lease rate of \$0.95 per square foot for industrial space on the Airport property. Any future tenant improvements must be approved and at the end of the lease period, all improvements on the premises become the City's property free of all claims.

ALTERNATIVE ACTION:

Alternatives include not approving the lease resulting in loss of a long tenured Airport tenant.

ATTACHMENTS AND/OR REFERENCES (If any):

None.