



# Agenda Report

**MEETING DATE:** Tuesday, December 13, 2022

**TO:** City Council

**FROM:** AIRPORT DIRECTOR WILLIAMS

**THROUGH:** CITY MANAGER MENDEZ

**SUBJECT:** RESOLUTION APPROVING FOUR YEAR LEASE OF AIRPORT  
PROPERTY AT 50 AVIATION WAY TO THE HERTZ CORPORATION

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## RECOMMENDED ACTION:

It is recommended the City Council approve a four (4) year lease of Airport property to the Hertz Corporation doing business as Hertz Local Edition (HLE).

## BACKGROUND:

Hertz Local Edition, Inc. is a new non-aeronautical leasehold, previously a sublease tenant to Pacific Air Care since 2002.

Hertz Local Edition is an "off-airport" neighborhood location offering vehicles and service that are available at larger airports with added benefits such as affordable leisure rates, unlimited mileage, one-way rentals and clean vehicles with low mileage. HLE's west side of the City is a benefit to not only airport visitors but also the community at large.

## DISCUSSION:

The Airport has negotiated and reached agreement on lease terms for the 617 square feet of street side office located at 50 Aviation Way. Lease term is four years at a rate of \$2.50 per square foot, totaling \$1,542.00 per month and subject to standard CPI adjustments over the term, as noted in the attached lease document. Additionally, the Airport is leasing ten (10) vehicle parking spaces, located at the Airport west terminal parking lot, dedicated to Hertz for an additional \$500.00 per month totaling \$2,042.00.

## STRATEGIC PLAN:

This four-year lease ensures that one of the few vehicle rental options, within the City, remains at the Municipal Airport. In support of the Airport's strategic goals to support the community and contribute to the Airport's mandate to maintain a self-sustaining enterprise fund.

**FINANCIAL IMPACT:**

Current market conditions support a lease rate of \$2.50 per square foot for street side access 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.