

Revised



Agenda Report

MEETING DATE: Tuesday, October 25, 2022

TO: City Council

FROM: AIRPORT DIRECTOR WILLIAMS
ADMINISTRATIVE ANALYST AGUADO

THROUGH: CITY MANAGER MENDEZ

SUBJECT: APPROVAL OF LEASE AMENDMENT TO SPECIALIZED
HELICOPTERS INC., FOR PROPERTY AT 150 AVIATION WAY

RECOMMENDED ACTION:

It is recommended the City Council approve an amendment to the current aeronautical lease with Specialized Helicopters, Inc., effective November 1, 2022, of Airport property located at 150 Aviation Way.

DISCUSSION:

Specialized Helicopters, Incorporated is a long tenured specialized aviation support operator (SASO) and leasehold tenant at the Watsonville Municipal Airport. Specialized has continued to experience success and has a need for subsequent growth.

With the departure of a non-aeronautical lease hold from the upstairs portion of 150 Aviation Way, Staff has negotiated terms of \$0.65 square foot for three thousand one hundred eighty-seven (3,187) square feet of office and storage space, five hundred, sixty-five (565) square feet of office and storage space on the first floor and, effective March 1, 2023, an additional two hundred ninety (290) square feet of office space.

The fair market rate for the additional aeronautical property is a total monthly lease payment of \$2,439.00, effective November 1, 2022 and \$2,627.00 effective March 1, 2023. As is standard airport leasehold practice, the rent will adjust in July of each year in accordance with the consumer price index.

STRATEGIC PLAN:

2-Fiscal Health

4-Economic Development

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FINANCIAL IMPACT:

The Airport Enterprise Fund will receive monthly rent for the remainder of the original lease term. There will be continued positive financial impacts to the Municipal Airport and the City resulting from this aeronautical leasehold.

ALTERNATIVE ACTION:

Alternatives include not approving the lease which would negatively impact this long-standing tenant.

ATTACHMENTS AND/OR REFERENCES (If any):

None.