

Agenda Report



MEETING DATE: Tuesday, June 25, 2024

TO: City Council

FROM: AIRPORT DIRECTOR WILLIAMS
ADMINISTRATIVE ANALYST AGUADO

SUBJECT: APPROVAL OF FOUR-YEAR LEASE OF AIRPORT PROPERTY
AT 140 AND 150 AVIATION WAY TO SPECIALIZED
HELICOPTERS, INC.

RECOMMENDED ACTION:

It is recommended that the City Council approve a lease of an airport property to Specialized Helicopters, Inc., a California corporation.

BACKGROUND:

Specialized Helicopters, Inc. is a California corporation formed in 2006 by Christopher Gularte to operate a Specialized Aviation Service Organization (SASO). A SASO is a single-service provider or special fixed-base operator performing less than full aviation-related services.

DISCUSSION:

The Airport has negotiated with Specialized Helicopters, Inc. and reached agreement on lease terms for an aggregate amount of building space of twenty-two thousand three hundred forty-nine (22,349) square feet, an aggregate amount of ramp space of sixty-six thousand seven hundred square feet of ramp space, six (6) aircraft tie-down spaces, and 16 parking spaces, located at 140 and 150 Aviation Way. The initial monthly lease rates are \$0.75 per square foot for the building space, \$0.10 per square foot for undesignated ramp space, \$0.0125 per square foot for designated ramp space, resulting in a total monthly rent of \$18,163.75 with standard CPI adjustments over the initial four-year term, as noted in the attached lease document.

STRATEGIC PLAN:

4-Economic Development

FINANCIAL IMPACT:

The lease rate will generate approximately \$217,965.00 in annual revenue adjusted annually by CPI.

ALTERNATIVE ACTION:

Alternatives include not approving the initial lease resulting in a loss of approximately \$217,965.00 in annual lease revenue.

ATTACHMENTS AND/OR REFERENCES (If any):

None.