

# Agenda Report



**MEETING DATE:** Tuesday, May 28, 2024

**TO:** City Council

**FROM:** AIRPORT DIRECTOR WILLIAMS

**SUBJECT: APPROVAL OF A FOUR (4) YEAR LEASE, TO ARTT PAINT SUPPLIES, LLC FOR AIRPORT PROPERTY AT 240 AIRPORT BOULEVARD**

---

## **RECOMMENDED ACTION:**

It is recommended the City Council approve a forty-eight (48) month non-aeronautical commercial lease of Airport property at 240 Airport Boulevard to ARTT Paint Supplies, LLC.

## **BACKGROUND:**

ARTT Paint Supplies, LLC is a Watsonville based, local/privately owned company providing the distribution and sale of paints, coatings, and related products to professional, industrial, commercial, and retail customers.

## **DISCUSSION:**

Staff negotiated terms for one thousand six hundred three (1,603) square feet of a portion of the building and office spaces plus assigned vehicle parking. The fair market non-aeronautical rate is \$1.50 per sq. ft. for premises for a total monthly lease rate of \$2,404.50.

Additionally, the Municipal Airport and ARTT Paint Supplies, LLC., have reached agreement that tenant Improvements, and resulting construction, including supplies and materials, for the 240 Airport Boulevard occupancy will be borne by ARTT Paint Supplies LLC. The Municipal Airport will allow up to \$4,809.00 tenant improvement allowance.

The tenant is responsible for telecommunications, insurance, required business licenses, airport permit and taxes. Rent adjusts each year in accordance with the consumer price index.

## **STRATEGIC PLAN:**

Supports the Municipal Airports' Economic Development Strategy 1.2 "Business Attraction" and Fiscal Health Strategy 4.2 "Maintain a Balanced Budget".

**FINANCIAL IMPACT:**

ARTT Paint Supplies, LLC lease will bring positive financial impacts to the Watsonville Municipal Airport and the City resulting from lease revenue.

**ALTERNATIVE ACTION:**

Alternatives include not approving the lease which would result in continued vacancy.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.