



## Lompoc City Council Agenda Item

**City Council Meeting Date:** December 21, 2021

**TO:** Jim Throop, City Manager

**FROM:** Richard Fernbaugh, Aviation/Transportation Administrator  
r\_fernbaugh@ci.lompoc.ca.us

**SUBJECT:** Authorize the City Manager to Agree to Voluntary Termination of the Existing Lease with Mr. Woodward; Approval of Agreement to Lease City-Owned Airport Property at 1700 North H Street to Michael and Michelle Martinez for Operation of River's Edge Pet Lodge

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### **Recommendation:**

Staff recommends the City Council authorize the City Manager to agree to voluntary termination of the existing lease with Mr. Woodward (Attachment 1), and approve and authorize the City Manager to enter into a Lease Agreement with Michael and Michelle Martinez for Lompoc Airport property at 1700 North "H" Street, for its continued use as the River's Edge Pet Lodge (Attachment 2).

### **Background:**

Mr. Woodward, the current tenant of the Lompoc Airport property at 1700 North H Street, wishes to sell his Rivers Edge Pet Lodge business and terminate his lease agreement with the City.

### **Discussion:**

The leased property consists of approximately 0.92 acres. Terms of the lease with Mr. and Ms. Martinez are substantially the same as the current Woodward lease agreement but would start at \$2,222.00 per month, with yearly increases equal to the increase in the Consumer Price Index plus one percent. Mr. and Ms. Martinez wish to continue leasing that property for the same use as the current tenants. The lease conditions also include an initial term of 5 years, with two optional 5-year extensions, and a security deposit.

**Fiscal Impact:**

The proposed lease agreement would bring approximately \$26,664 in revenue to the Airport during the first year of the lease. Rental revenue from leases of airport property are recorded in the Airport Enterprise Fund. Rental revenues, as well as net revenue from fuel sales, are the primary funding sources for operations at the Airport, which is a self-funded enterprise of the City. Accumulated fund balances from Airport operations are the primary source of local matches needed to support capital improvement grants obtained from the Federal Aviation Administration to further the Airport's long-range master plan. By funding airport operations and providing for the local match for capital improvement grants from airport revenues, no General Fund resources are provided to the Airport Enterprise Fund. This proposed Lease Agreement will continue a reliable rental revenue stream for the Airport.

**Conclusion:**

Staff recommends the City Council authorize the City Manager to sign the Lease Termination Agreement and new Lease Agreement with Michael and Michelle Martinez, for the operation of the River's Edge Pet Lodge.

Respectfully submitted,

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Richard Fernbaugh, Aviation/Transportation Administrator

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Michael W. Luther, P.E., Public Works Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Jim Throop, City Manager

Attachments: 1) Lease Termination Agreement  
2) Lease Agreement