



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 30, 2026

DEPARTMENT: ADMINISTRATION, AIRPORT DIVISION

FROM: LISA MURPHY, ASSISTANT CITY MANAGER

BY: MATT NELSON, AIRPORT MANAGER

TITLE: ON-AIRPORT LAND LEASE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION AND THE CITY OF SALINAS MUNICIPAL AIRPORT

RECOMMENDED MOTION:

A motion recommending City Council approve a resolution authorizing the Mayor to execute an On-Airport Land Lease Agreement between the United States of America Department of Transportation Federal Aviation Administration (USA FAA) and the City of Salinas Municipal Airport beginning October 1, 2025, through September 30, 2045.

EXECUTIVE SUMMARY:

The United States of America Department of Transportation Federal Aviation Administration (USA FAA) requests the agreement of an On-Airport Land Lease between the City of Salinas Municipal Airport in Monterey County beginning October 1, 2025, through September 30, 2045. This will allow for continued operation of the air traffic control tower site.

BACKGROUND:

The United States of America Department of Transportation Federal Aviation Administration (USA FAA) is a long-term business tenant of the City of Salinas Municipal Airport. USA FAA entered a lease with the City of Salinas in 1985 for the operation of the air traffic control tower site and that lease continued through September 30, 2025. In the month of September 2025, the government shut down along with staffing shortages prevented USA FAA from pursuing an extension of the lease prior to the expiration date of September 30, 2025. As such, it was delayed until February 13, 2026 to continue with the completion of the lease. It is important to note that services did not cease and continue.

Term

The lease provides one twenty-year initial term from October 1, 2025, through September 30, 2045, and a yearly option to renew unless a written notice is provided within thirty (30) days before the lease expires.

Uses

The negotiated uses include current/existing uses only, which includes the operation of the air traffic control tower. Following the execution of the lease, the lessee may request additional uses through a lease amendment process. The following uses are included in the lease:

Base Rent

The monthly Base Rent for the land on which the air traffic control tower is placed is equal to \$575.50 per month or \$6,906.00 per annum. In addition to the Base Rent, the US FAA pays for all water, gas, heat, light, power, telephone, sewage, garbage, and rubbish disposal, and all other services applied to the air traffic control tower.

The annual Base Rent is subject to an annual adjustment by an amount equal to three percent (3%) of the annual rent in effect during the immediately preceding year.

At the May 28, 2026, Airport Commission meeting, the Airport Commission unanimously recommended that the City Council take action to approve a resolution authorizing the Mayor to execute an On-Airport Lease Agreement between the United States of America Department of Transportation Federal Aviation Administration (USA FAA and the City of Salinas Municipal Airport for the continued operation of the air traffic control tower.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project and therefore exempt as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Not Applicable because both the City of Salinas and the US FAA are governmental agencies.

STRATEGIC PLAN INITIATIVE:

This item relates to the Council's Goal of Infrastructure and Environmental Sustainability and Public Safety by investing in Salinas Municipal Airport.

DEPARTMENTAL COORDINATION:

The Salinas Municipal Airport within the Administrative Department worked with Legal staff to review the lease as to form and legality and the Finance Department will assist Airport staff on the issuance of a purchase order and monitoring of progress payments.

FISCAL AND SUSTAINABILITY IMPACT:

There will be no impact on the City's General Fund as the Airport operates as an enterprise fund. All revenues generated from this lease will go to the Airport Enterprise Fund to support continued operation and maintenance of the Airport.

ATTACHMENTS:

Resolution
On-Airport Land Lease
Original Lease