



**CITY OF SALINAS  
CITY COUNCIL STAFF REPORT**

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**DATE:** DECEMBER 5, 2023

**DEPARTMENT:** PUBLIC WORKS, AIRPORT DIVISION

**FROM:** DAVID JACOBS, PUBLIC WORKS DIRECTOR

**BY:** BRETT J. GODOWN, AIRPORT MANAGER

**TITLE:** ADDENDUM NO. 1 TO THE JET WEST, INC. FACILITY LEASE AGREEMENT AT THE SALINAS MUNICIPAL AIRPORT IN CONSIDERATION FOR AMERICAN DISABILITIES ACT FACILITY TENANT IMPROVEMENTS

RECOMMENDED MOTION:

A motion to approve the attached Resolution for Addendum No. 1 to the Salinas Municipal Airport Facility Lease Agreement at the Salinas Municipal Airport in consideration of rental abatement for American Disabilities Act (ADA) Tenant Improvements.

EXECUTIVE SUMMARY:

Jet West, Inc. (Jet West), lessee of 280 Mortensen Ave. at the Salinas Municipal Airport, made permanent ADA tenant improvements to the [City of Salinas owned] facility. The accompanying staff report, resolution, and lease agreement amendment support staff's recommendation to reimburse Jet West for 50% of the improvement cost through rental abatement by \$1,180.60 per month for 12 months.

BACKGROUND:

In 2009, by way of Resolution No. 19745, the City Council approved a facility lease agreement between the City of Salinas and Jet West at the Salinas Municipal Airport. In 2022, a customer reported possible ADA concerns. In response to the possible concerns, Jet West financed long-term tenant improvements to the facility to meet ADA building standards. The improvements were not considered under the original terms of the lease agreement. The ADA improvements serve the utility of the facility and not just Jet West's operations. Jet West has requested reimbursement for said improvements.

Tenants often make improvements to facilities. The City does not participate in all rental abatement or other measures to offset improvement costs. For City participation, the criteria include:

1. The improvement improves the building versus the operations of the Lessee/tenant.
2. The City agrees to the benefit the improvement provides to the facility.
3. The improvement is permanent versus temporary in nature.
4. The City agrees to participate in rental abatements.

At the November 16, 2023, Airport Commission meeting, the Airport Commission recommended that the City Council approve the attached resolution for Addendum No. 1 to the Salinas Municipal Airport Lease Agreement by and between the City of Salinas and Jet West, Inc.

ANALYSIS:

***Improvements/Investments***

The improvements included installing ADA-accessible pathways from the primary building entrances to the secondary entryway at the front of the building. The pathway improvements included extending the building frontage concrete sidewalk landing area by approximately 20 linear feet. The landing area improvements comprise two stairs, handrails, an accessible door[way], and appropriate signage. The Lessee secured a City of Salinas Building permit and received a final City of Salinas sign-off on September 13, 2023.

The final cost for the Tenant Improvement is \$28,292.34. The Airport agreed to deduct 50% of the improvement costs from the base rent over a 12-month period. The costs of such Tenant Improvement shall be deducted from the Base Rent due from this Lease but shall not exceed \$14,146.17. It was stipulated that the Lessee would qualify for Base Rent reduction provided the Improvements were satisfactorily completed and accepted by the Airport Manager, the improvements were contracted in compliance with the State of Californian prevailing wage laws, the project received final approvals from the City of Salinas Building Division, and Lessee provided proof of payment to the contractor. For a period of 12 months following the execution date of this Lease Amendment and having met the above conditions, \$14,146.17 (\$1,180.60 per month) will be deducted from the Base Rent remitted to the City of Salinas in connection with this facility lease (Customer Account #208) for 280 Mortensen Avenue.

CEQA/NEPA CONSIDERATION:

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).

STRATEGIC PLAN INITIATIVE:

Approval of this Lease Addendum NO. 1 will support the City Council's goals of Effective, Sustainable Government and Economic Diversity and Prosperity.

DEPARTMENTAL COORDINATION:

The lease amendment was reviewed as to form by the City Attorney.

FISCAL AND SUSTAINABILITY IMPACT:

For a period of 12 months following the execution date of this Lease Amendment and having met the above conditions, \$14,146.17 (\$1,180.60 per month for 12 months) will be deducted from the Base Rent remitted to the City of Salinas in connection with this facility lease (Customer Account #208) for 280 Mortensen Avenue.

ATTACHMENTS:

Jet West, Inc. Facility Lease

Jest West, Inc. Facility Lease Addendum NO. 1

ADA Improvement Supporting Documentation

Resolution