

**RESOLUTION NO. \_\_\_\_\_ (N.C.S.)**

**RESOLUTION APPROVING ADDENDUM NO. 3 TO THE FUEL FACILITY LEASE AGREEMENT BETWEEN THE CITY OF SALINAS AND JET WEST, INC. AT THE SALINAS MUNICIPAL AIRPORT**

**WHEREAS**, on December 12, 2006, by way of Resolution No. 19123, Central Coast Aviation Services, Inc. (Central Coast) entered into Fuel Facility Lease (Original Lease) with the City of Salinas for the establishment of an above-ground aviation fuel storage location and accompanying dispensers located on the Salinas Airport at 30 Mortensen Ave. (the “Property”); and

**WHEREAS**, on September 17, 2008, the lease was amended (Addendum No. 1) to clarify the City’s and Central Coast’s rights and obligations of the lease with regards to the demised premise following the expansion of the Terminal Building; and

**WHEREAS**, on March 15, 2012, the Lease was further amended (Addendum No. 2) to clarify the City’s and Central Coast’s rights and obligations of the lease with regard to past due rents from Central Coast to the City of Salinas; and

**WHEREAS**, On July 1, 2012, the City consented to Central Coast Aviation Services and Jet West entering into an Assignment and Assumption of Lease Agreement, whereby Central Coast assigned conveyed, transferred, and set over unto Jet West all rights, title, interest, and estate under the Lease; and

**WHEREAS**, Lessor and Lessee, subject to the terms and conditions in Addendum No. 3, desire to amend the Lease by including provisions for the installation, maintenance, and operation of an Aircraft Electric Charging Station; and

**WHEREAS**, Lessor and Lessee, subject to the terms and conditions in Addendum No. 3, desire to amend the Lease by annexing the renewal term (10-years) into the remaining original term (4-years), maintaining the same lease expiration date of December 11, 2036; and

**WHEREAS**, Lessor and Lessee, subject to the terms and conditions in Addendum No. 3, desire to amend the Lease by changing the rental adjustment mechanism from the San Francisco Bay Area Consumer Price Index (CPI) every 30 months to annual three percent (3%) adjustments; and

**WHEREAS**, Lessor and Lessee, subject to the terms and conditions in Addendum No. 3, desire to amend the Lease by establishing an Electric Aircraft Charging Station Fee. The Lessee shall pay or shall arrange with Lessee’s subtenant(s) to pay, to Lessor a gross revenue of sales fees of one percent (1%) of commercial sales generated from the Electric Aircraft Charging Station. The gross revenue of sales fee may be adjusted by the Lessor’s City Council, from time to time, as is commercially reasonable; and

**WHEREAS**, Lessor and Lessee, subject to the terms and conditions in Addendum No. 3, desire to amend the Lease by amending Exhibit A – Fuel Farm Premise.

**WHEREAS**, at the May 26, 2022, Airport Commission meeting, the Airport

Commission recommended City Council move to approve Addendum No. 3 to the Fuel Facility Lease agreement between the City of Salinas and Jet West, Inc.; and

**WHEREAS**, on September 28, 2021, the Salinas City Council adopted Resolution 22219 declaring the parcel of land containing the Property to be Exempt Surplus Land as defined in Government Code Section 54221; and

**WHEREAS**, Salinas Municipal Code Section 37-10.070 allows the City Council to allow land owned or leased by the City of Salinas to be used in a manner that it finds to be proper and in the public interest; and

**WHEREAS**, Salinas Municipal Code Section 12-13 allows the City Council to approve the leasing of any City-owned real property if the Council determines that the real property interest leased will not be necessary for municipal purposes during the term of the lease.

**NOW, THEREFORE, BE IT RESOLVED**, that the Salinas City Council hereby finds and determines that the above recitals and accompanying Staff Report are true and correct and have served as the basis, in part, for the actions of the City Council set forth below; and

**BE IT FURTHER RESOLVED THAT** the City Council hereby finds that the use of the property in accordance with the terms of the Lease is proper and in the public interest; and

**BE IT FURTHER RESOLVED THAT** the City Council hereby determines that the real property interest conveyed by the Lease will not be necessary for municipal purposes during the term of the Lease; and

**BE IT FURTHER RESOLVED THAT** the Mayor of Salinas be and is hereby authorized and directed, for and on behalf of the City of Salinas, to execute the attached Addendum No. 3 to the Fuel Facility Lease between the City of Salinas, a municipal corporation, and Jet West, Inc.

**PASSED AND APPROVED** this 21<sup>st</sup> day of June 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

APPROVED:

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Kimbley Craig, Mayor

ATTEST:

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Patricia Barajas, City Clerk