



CITY OF SALINAS

CITY COUNCIL STAFF REPORT

DATE: AUGUST 29, 2017

DEPARTMENT: PUBLIC WORKS, AIRPORT DIVISION

FROM: BRETT J. GODOWN, AIRPORT MANAGER

TITLE: FLYING ARTICHOKE RESTAURANT LEASE AT THE SALINAS MUNICIPAL AIRPORT

RECOMMENDED MOTION:

It is recommended that the City Council approve a Resolution approving a lease agreement between the City of Salinas and the Flying Artichoke Restaurant for the operation of the restaurant facility at the Salinas Municipal Airport.

RECOMMENDATION:

City Staff has concluded a Resolution to approve the lease agreement between the City of Salinas and the Flying Artichoke Restaurant for the operation of the restaurant facility at the Salinas Municipal Airport will support Council Strategic Plan goals and support the flying public, airport businesses, airport tenants, and the airport enterprise fund.

BACKGROUND:

Prior to 2017, the Salinas Municipal Airport Restaurant space was leased by the Landing Zone. The owners of the Landing Zone Restaurant retired in December 2016. In November 2016, City staff solicited interest for airport restaurant operators through a Request for Proposals. From that solicitation, Sunshine Catering, (DBA) Flying Artichoke was selected as the successful proponent under a short-term operating agreement. The short-term operating agreement was utilized to bridge the gap between the closing of the Landing Zone and when a long-term agreement could be approved by City Council. Since January, the Flying Artichoke has successfully operated the airport restaurant under a short-term agreement.

The airport restaurant facility is located in the airport terminal building and is approximately 2,302 square feet of restaurant space (1,563 square feet of dining area and approximately 510 square feet of kitchen area), and 200 square feet of outside storage. Under the terms of the short-term rental agreement and the proposed lease, the Flying Artichoke is required to operate six days a week and provide two meal services a day. Currently they exercise this option by providing breakfast and lunch service and are open Monday - Saturday. Future deviation from the required services will require Airport Manager approval.

The lease is structured in such a manner to encourage the restaurant operator to maintain the facility in good working order and ensure health and safety are maintained at the highest level. The City's owns various pieces of equipment and fixtures in the restaurant that is leased by the operator for the operation of the restaurant. The equipment and fixtures include: stove/oven, deep fryer, grill, exhaust fan, freezer, built-in refrigerator, oil/water separator (grease trap), dishwasher, ice machine, and the fire suppression system. Through the term of the Lease, the operator agrees to maintain the Restaurant Equipment at a level necessary to prevent damage. The operator will, on no less than a semi-annual basis, have all pieces of the Restaurant Equipment serviced and cleaned by qualified service providers.

The FAA recognizes restaurant located on airport property as aviation support related activity. Restaurants provide aeronautical support services to the flying public and complements aeronautical activity by drawing local communities to airports.

At the July 27, 2017 Airport Commission meeting, the Commission unanimously recommended City Council approve a Resolution approving a lease agreement between the City of Salinas and Flying Artichoke for the operation of the restaurant facility at the Salinas Municipal Airport.

ANALYSIS:

The proposed lease includes an initial five-year term with two five-year options with the monthly rental rate equal to five percent (5%) of gross revenue, less applicable taxes. The lease provides the Flying Artichoke access to the patio area for dinning accommodations. The lease also provides use of the terminal lobby area for special events provided advance notice is given to the airport manager.

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:

Approving the lease agreement between the City of Salinas and the Flying Artichoke complements City Council's Strategic Plan goals for Economic Diversity and Prosperity and Effective, Sustainable Government.

FISCAL AND SUSTAINABILITY IMPACT:

For the term of the lease, the Flying Artichoke will pay 5% of gross revenues (less applicable taxes) up to a maximum of \$2,302.00 per month, which is equal to approximately \$1.00 per square foot.

ATTACHMENTS:

Lease agreement between the City of Salinas and the Flying Artichoke Restaurant at the Salinas Municipal Airport

Resolution - Lease agreement between the City of Salinas and the Flying Artichoke Restaurant at the Salinas Municipal Airport