



## **CITY OF SALINAS**

### **CITY COUNCIL STAFF REPORT**

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**DATE:** OCTOBER 12, 2021

**DEPARTMENT:** PUBLIC WORKS, AIRPORT DIVISION

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

**BY:** BRETT J. GODOWN, C.M., C.A.E., AIRPORT MANAGER

**TITLE:** AMENDMENT NO. 2 TO THE GROUND LEASE BETWEEN THE CITY OF SALINAS AND SEATEC UNDERGROUND UTILITIES, INC. AT THE SALINAS MUNICIPAL AIRPORT

#### **RECOMMENDED MOTION:**

A motion recommending City Council approve a resolution approving Amendment No. 2 to the ground lease between the City of Salinas and Seatec Underground Utilities, Inc.

#### **RECOMMENDATION:**

It is recommended the City Council approve a resolution approving Amendment No. 2 to the ground lease between the City of Salinas and Seatec Underground Utilities, Inc.

#### **BACKGROUND:**

On September 28, 2016, by way of Resolution No. 21054, Seatec Underground Utilities, Inc. (Seatec) entered into 50-year ground lease agreement with the City of Salinas for 1.174 acres of land (Lot D) located on the Salinas Airport at 467 Airport Blvd. On August 27, 2019, by way of Resolution No. 21699, the Lease was amended (Amendment No. 1) to accommodate a new 6,000 sq' hangar. Amendment No. 1 increased the total Demised Premise by adding Lot D-1, 0.244 acres of land (10,638 sq'). While navigating the City Building Permit Process, it was determined the proposed building needed to shift away from Airport Blvd. to meet City Building standards. The building shift necessitated shifting portions of Lot D-1.

Seatec desires to modify the Demised Premises by shifting the boundaries of Lot D-1, a 0.244 acres (10,638 square feet) parcel of land, which is more fully described on Exhibit A - Legal Description, dated June 10, 2021, and Exhibit B – Plat, dated June 10, 2021, both of which are attached hereto and incorporated herein by reference.

At the August 5, 2021 Airport Commission meeting, the Commission recommended City Council adopt a resolution approving Amendment No. 2 to the ground lease between the City of Salinas and Seatec Underground Utilities, Inc.

The proposed lease is located on the main Airport parcel. Under the Surplus Lands Act, prior to any sale or lease of the property, the City Council must first declare the property in question to be either Surplus Land or Exempt Surplus Land. On September 28, 2021, the Salinas City Council adopted Resolution 22219 declaring that the main Airport parcel is Exempt Surplus Land. Therefore, the Salinas City Council is not required to take any further action under the Surplus Lands Act.

#### ANALYSIS:

##### **Lease and Amendment No. 2 Terms:**

###### *Demised Premises:*

The Legal Description, Exhibit A, and Plat, Exhibit B, for Lot D-1, dated June 10, 2021, will now be the Legal and approved exhibits. As a result of the lateral boundaries shifting, the surveyed acreage and square feet will remain the same. Amendment No. 1, Exhibit A (Legal Description), and Exhibit B (Plat) for Lot D-1 is surveyed as 0.244 acres of land (10,638 sq'). Amendment No. 2, Exhibit A (Legal Description), and Exhibit B (Plat) for Lot D-1 is surveyed as 0.244 acres of land (10,638 sq').

###### *Effective Date:*

This Amendment will be effective as of September 1, 2021.

###### *No Further Modifications:*

All other provisions in the original Lease and Amendment No. 1, will remain in full force as per the original lease.

#### CEQA/NEPA CONSIDERATION:

The City of Salinas has determined that the proposed action is statutorily exempt as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15268(a)).

#### STRATEGIC PLAN INITIATIVE:

This action supports the City Council's Strategic Plan Goals of Operational Efficiencies.

#### DEPARTMENTAL COORDINATION:

The City of Salinas Airport Facility Lease was reviewed as to form by the City Attorney.

#### FISCAL AND SUSTAINABILITY IMPACT:

The execution of this amendment will have no fiscal impact.

#### ATTACHMENTS:

Second Amendment to the ground lease between the City of Salinas and Seatec Underground Utilities Inc.

First Amendment to the ground lease between the City of Salinas and Seatec Underground Utilities Inc.

Original Lease between the City of Salinas and Seatec Underground Utilities Inc.

Exhibit A – Lot D-1 Legal Description

Exhibit B – Lot D-1 Plat

Resolution - Resolution approving Amendment No. 2 to the lease between the City of Salinas and Seatec Underground Utilities Inc. at the Salinas Municipal Airport.