



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 23, 2012

**TO:** Mayor and Councilmembers

**FROM:** Business & Property Division, Airport Department

**SUBJECT:** Introduction Of Ordinance For A Lease Agreement With Reson, Inc.

### RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Five-Year Lease Agreement with One Five-Year Option with Reson, Inc., dated as of November 29, 2012, at a Monthly Rental of \$24,313 for 4,800 Square Feet of Building 223 and 4,020 Square Feet of Adjacent Yard at 94 Frederick Lopez Road, and 10,800 Square Feet of Building 114 at 100 Frederick Lopez Road, at the Santa Barbara Airport, for Operation of an Acoustical Research and Design Facility.

### DISCUSSION:

Reson, Inc. (formerly Acoustic Transducers) has been an Airport tenant in good standing since March 1987. Reson leases space for offices, storage and assembly for an acoustical research and development business, including the design and production of high resolution multi-beam sonar systems to conduct underwater surveying. In April 2002, Reson expanded its operations to Building 223 to house additional engineering and shipping and receiving functions. Sixty-seven employees currently work at this location. The subject Premises is located north of Hollister Avenue in an Airport Industrial (AI-1) zone. The use conforms to existing zoning.

The proposed monthly rental of \$24,313 is based on a per square foot rate of \$1.51 for office and R&D, \$1.38 for storage and shipping, and \$.21 for fenced yard and is comparable to other buildings and land on the Airport for similar use and in similar condition. Thereafter, Reson will receive scheduled annual increases as follows:

November 1, 2013 – October 31, 2014: \$25,043/month (3%)  
November 1, 2014 – October 31, 2015: \$25,794/month (3%)  
November 1, 2015 – October 31, 2016: \$27,083/month (5%)  
November 1, 2016 – October 31, 2017: \$28,438/month (5%)

Should Reson exercise its five-year option, there will be a market rate rental adjustment of no less than 3% and no greater than 8% in year six, with annual CPI adjustments in each succeeding year.

Reson will also pay monthly utilities charges of \$149 or metered amount, whichever is greater, for water and \$73 for sewer service. Utilities charges are adjusted annually on July 1st.

The proposed Lease Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review. Airport Commission recommended approval at their September 19, 2012 meeting.

**PREPARED BY:** Rebecca Fribley, Sr. Property Management Specialist

**SUBMITTED BY:** Karen Ramsdell, Airport Director

**APPROVED BY:** City Administrator's Office