



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 6, 2013

TO: Mayor and Councilmembers

FROM: Business & Property Division, Airport Department

SUBJECT: Attornment Agreement with H. Oliver Dixon and Montecito Bank & Trust For An Airport Property

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, an Ordinance of the Council of the City of Santa Barbara Approving, and Authorizing the Airport Director to Execute, An Attornment Agreement Among the City of Santa Barbara, H. Oliver Dixon, Inc., and Montecito Bank & Trust Pertaining to Lease Agreement No. 21,810, dated November 1, 2005.

DISCUSSION:

The subject Premises is located south of Hollister Avenue in an Airport Facilities (AF) zone.

H. Oliver Dixon, Inc. has been an Airport tenant since 1960, when his father, E.D. Dixon constructed a motel at the corner of Hollister and Fairview Avenues and entered into a lease agreement with the City for parking adjacent to the motel site. On November 1, 2005, Mr. Dixon and the Airport entered into a fifteen year lease with two five year options (Lease Agreement No. 21,810) for the parking area.

At this time, Mr. Dixon wishes to negotiate a loan with Montecito Bank & Trust using the motel as security. The motel is located in Goleta, and is not on Airport property. Since the parking area owned by the City is required for operation of the motel, Montecito Bank & Trust requested assurances from the City that it would be willing to allow the bank to cure any default that might result in termination of the parking lot lease and, should the bank be forced to foreclose on Mr. Dixon's loan, the City would accept an alternate tenant proposed by the bank.

The Airport has provided the bank with an estoppel letter stating the terms of Mr. Dixon's agreement and verifying that he is a tenant in good standing.

Any proposed substitute tenant put forth by the bank would be required to demonstrate experience and ability to meet the obligations set forth in the lease, including the financial capability to keep the agreement in full force and effect. The City's prior written approval is required for any assignment of the Lease.

Approval of this Attornment Agreement will have no monetary effect.

ATTACHMENT: Map

PREPARED BY: Rebecca Fribley, Sr. Property Management Specialist

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office

Approximately 22,009 square feet of paved land, west and south of the Super 8 Motel property at 6021 Hollister Avenue (Parcel No. 073-080-037)

