



City of Santa Barbara
Airport Department

Meeting: 01/19/22
Agenda Item No. 9

DATE: January 19, 2022
TO: Airport Commission
FROM:  Brian D'Amour, Interim Airport Director
SUBJECT: Lease Agreement – Derrick's Roofing, Inc.

RECOMMENDATION:

That Airport Commission approve and authorize the Airport Director to execute a five (5) year lease agreement with Derrick's Roofing, Inc., a California Corporation, for 3,280 square feet of Building 223 and 3,700 square feet of adjacent yard space at 94 Frederick Lopez Road, Suite C, at Santa Barbara Airport, with lease commencement on March 1, 2022 and rent commencement on April 1, 2022. Total annual rent for the first agreement year will be \$55,185.24, not including utility costs, insurance or County possessory interest taxes.

DISCUSSION:

The subject Premises is located north of Hollister Avenue in an Airport Industrial (A-I) zone.

Derrick's Roofing, Inc. is a local roofing, sheet metal, and siding contractor who has been serving the South Coast since 1945. They have 35 employees. Derrick's Roofing became a tenant at 705-A Firestone Road in February 2017. In May 2018, the location on Frederick Lopez Road, which included outdoor yard space became available. The relocation to this site enabled the company to consolidate its administration and storage/laydown and warehouse to one location on Airport property.

The company initially signed a three-year lease with the Airport, which transitioned to month-to-month status in May 2021. The Airport sought to negotiate a new, longer-term lease with this tenant, which has remained in good standing under the terms of its lease. Derrick's Roofing agreed to a five-year lease term at market rates in exchange for the consideration of one-month's rent abatement at the outset of the new lease. The terms of the lease provide the opportunity for the Airport to secure a reliable tenant for a longer lease term.

The proposed monthly rental is based on a rate of \$1.64 per square foot for office space, \$.93 square foot for the warehouse space, and \$.27 square feet for the yard space. These rates are comparable to other lease rates at the Airport for similar uses and in similar condition.

In addition to the monthly base rent of \$5,016.84, Derrick’s Roofing will pay water and sewer, and is responsible for contracting directly for electrical.

The proposed Lease Agreement has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business and Properties

ATTACHMENT: Map

