



Visalia City Council

Visalia City Council
707 W. Acequia
Visalia, CA 93291

Legislation Details (With Text)

File #: 23-0402 **Version:** 1
Type: Consent Item **Status:** Agenda Ready
File created: 10/11/2023 **In control:** Visalia City Council
On agenda: 11/6/2023 **Final action:**
Title: Authorize an amendment to the 2017 lease agreement between the City of Visalia and Enterprise Rent-a-Car Company of Sacramento to include approximately 800 (eight hundred) additional square feet of office space.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Enterprise lease amendment-updated, 2. Enterprise Amendment Exhibit A, 3. Original Lease, 4. Original Approved Council Item, 5. Approved Ordinance

| Date | Ver. | Action By | Action | Result |
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Agenda Item Wording:

Authorize an amendment to the 2017 lease agreement between the City of Visalia and Enterprise Rent-a-Car Company of Sacramento to include approximately 800 (eight hundred) additional square feet of office space.

Deadline for Action: None

Submitting Department: Administration - Airport

Contact Name and Phone Number:

Jody Miller, Airport Manager, (559) 713-4282, Jody.Miller@Visalia.City

Nick Mascia, Assistant City Manager, (559) 713-4323, Nick.Mascia@Visalia.City

Department Recommendation:

Staff recommends that City Council authorize the City Manager to an amendment to the 2017 lease agreement between the City of Visalia and Enterprise Rent-a-Car of Sacramento to include an additional 800 (eight hundred) square feet of office space. Resulting in an additional \$850.00 (eight hundred and fifty dollars) of monthly revenue to the City of Visalia's Airport division.

Background Discussion:

On May 1st 2017 Council authorized a lease agreement between the City of Visalia and Enterprise Rent-a-Car Company of Sacramento for lobby, counter, and office space in the old Visalia Municipal Airport Passenger Terminal building, which if all options are exercised runs through May 17th of 2027. This agreement, however, did not cover the full building, leaving additional rentable office space available, which has until recently been rented to other tenants. Now that this additional office space is available (which can be seen in the attached Exhibit A) Enterprise, and its staff would like to amend their lease agreement to encompass that space as well.

If approved this amendment would benefit Enterprise and its staff by not only giving them additional office space, but would also allow them to not have to share the building with other tenants (which has proved problematic at times even with the previous tenant only using the area one evening a week, as there is no separate entrance for the available space as previously anyone trying to gain access has to enter and pass through the Enterprise leased office to access the rear area where the door to the space in question is located). By allowing Enterprise to expand into this space, it would benefit airport by getting the space leased immediately instead of having to go through the potentially difficult and time-consuming process of finding a different tenant to fit the unique configuration of the available space or needing to remodel.

Enterprise currently pays \$1,249.06 (one thousand two hundred forty-nine dollars and six cents) monthly as per the terms of the original lease agreement, this amendment would add an additional \$850.00 (eight hundred fifty dollars) to that, resulting in a new monthly lease rate of \$2,099.06 (two thousand ninety-nine dollars and six cents). This new monthly lease rate would be subject to the same annual Consumer Price Index (CPI) rate increases as provisioned in the original lease. The lower price per square foot rate for the additional space (\$1.38 per sq ft for the original space and \$1.00 per sq ft for the proposed additional space) reflects the unique nature of the space and the potential difficulty in finding another suitable tenant.

All other terms and provisions of the original lease agreement would remain in effect with no other changes proposed.

Fiscal Impact:

Visalia Municipal Airport would receive \$850.00 (eight hundred and fifty dollars) of additional monthly revenue plus annual CPI rate increases from Enterprise Rent-a-Car of Sacramento over the remaining life of the lease agreement. This additional revenue goes directly towards the Airport's operational budget, allowing greater flexibility in meeting all needs of the airport and its tenants in a timely manner.

Prior Council Action:

May 1st 2017: Council Authorized the adoption of Ordinance 2017-04 which allowed the City of Visalia to enter into a ten-year lease agreement with the Enterprise Rent-a-Car Company of Sacramento.

Alternatives: City Council could choose to not authorize the amendment to the lease agreement and direct Staff would pursue other tenant opportunities for the vacated space.

Recommended Motion (and Alternative Motions if expected):

I move to authorize an amendment to the lease agreement between the City of Visalia and the Enterprise Rent-a-Car company of Sacramento to include an additional approximately 800 (eight hundred) square feet of office space for an additional \$850.00 (eight hundred and fifty dollars) monthly.

Environmental Assessment Status: NA.

CEQA Review: N/A

Attachments:

1. Proposed Lease Amendment

2. Proposed Lease Amendment Exhibit A
3. Original Lease Agreement
4. Original Council Authorized Staff Report
5. Original Lease Agreement Ordinance .