RESOLUTION NUMBER R- 316001

DATE OF FINAL PASSAGE JAN 3 0 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING A NINE-YEAR FLAT RATE GROUND LEASE WITH SORBI AIRCRAFT MAINTENANCE INC. FOR AN APPROXIMATELY 8,930-SQUARE FOOT AIRCRAFT HANGAR AND 25,420 SQUARE FEET OF LAND AT MONTGOMERY-GIBBS EXECUTIVE AIRPORT, AT 3873 KEARNY VILLA ROAD, BUILDING 119 IN SAN DIEGO, AND APPROVING RELATED ACTIONS.

## **RECITALS**

The Council of the City of San Diego (Council) adopts this Resolution based on the following:

- A. The City of San Diego (City) owns the real property located at Montgomery-Gibbs Executive Airport, 3873 Kearny Villa Road, Building 119 in San Diego, comprised of an approximately 8,930-square-foot existing aircraft hangar (Hangar) and 25,420 square feet of land (collectively, Property).
- B. Sorbi Aircraft Maintenance Inc., dba Spiders Aircraft Service, Inc., a California corporation (Sorbi), has been a tenant in good standing at the Property since July 1, 2015, and currently occupies the Property on a month-to-month basis, providing specialized aircraft maintenance and repair services for the local flying community.
- C. The City desires to enter into a new lease with Sorbi for the continued use of the Property as an aircraft maintenance and repair services business. The City and Sorbi have negotiated a proposed Flat Rate Ground Lease (Lease) with a term of nine years.
- D. As specified in the Lease (included in the docket materials accompanying this Resolution), the monthly rent (Rent) will be \$79,310 for the first year and will increase by three percent every year thereafter, with a market rate adjustment to occur in the seventh year of the Lease term. Under Council Policy 700-10, the City obtained an appraisal to determine the fair

market rent of the Property. The appraised fair market rent of the Property, as of January 8, 2025, is \$79,310 per year. The Rent negotiated by the City for the Lease is equal to or higher than the appraised fair market rent for the Property.

- E. Under the Lease, Sorbi is obligated to paint all exterior surfaces of the Hangar within 180 days after the Commencement Date (as defined in the Lease), as well as construct a metal roofing system over the roof of the Hangar within 18 months after the Commencement Date. The Lease is not subject to the Surplus Land Act, Government Code sections 54220 through 54234 (SLA), because it: (a) is not for a term longer than 15 years; and (b) does not involve any "development or demolition" as that term in the SLA is interpreted by the California Department of Housing and Community Development.
- F. The Office of the City Attorney prepared this Resolution based on the information provided by City staff (including information provided by affected third parties and verified by City staff), with the understanding that this information is complete and accurate.

## **ACTION ITEMS**

Be it resolved by the Council of the City of San Diego:

- 1. The Council approves the Lease.

3. The Chief Financial Officer is authorized and directed to accept the Rent payable					
to the City under the Lease and deposit such Rent into the Airport Enterprise Fund 7000033.					
APPROVED: HEATHER FERBERT, City Attorney					
By Brian W. Byun Deputy City Attorney					
BWB:nja 12/12/2024					
Or. Dept: Econ. Dev. Dept. Doc. No. 3921758					
I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on JAN 28 2025					
DIANA J.S. FUENTES City Clerk					
By <u>Connie Patterson</u> Deputy City Clerk					
Approved: 125/25 Cdate) TODD GEORIA, Mayor					
Vetoed:					

TODD GLORIA, Mayor

(date)

Passed by the Council of Th	e City of San Die	go.on <b>JA</b> t	<b>2 8</b> 2025	, by the following vote:	
Joe LaCava Jennifer Campbell Stephen Whitburn Henry L. Foster III Marni von Wilpert Kent Lee Raul A. Campillo Vivian Moreno Sean Elo-Rivera	Yeas	Nays	Not Present	Recused	
Date of final passage (Please note: When a reso date the approved resolut					
AUTHENTICATED BY:		Mayor	TODD G of The City of	SAN Diego, California.	
(Seal)		•	1	San Diego, California.  San Diego, California.  Deputy  Betterson	
Office of the City Clerk, San Diego, California  Resolution Number R-  316001					

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