



Legislation Text

File #: 17-250, **Version:** 1

ORDINANCE NO. 017-26

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AN AIRPORT TERMINAL LEASE AGREEMENT WITH SFM CONSULTING LLC DBA STARSHINE ASSOCIATES FOR CERTAIN OFFICE SPACE IN THE TERMINAL BUILDING AT THE GLENDALE MUNICIPAL AIRPORT.

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt an ordinance authorizing the City Manager to enter a Lease Agreement with SFM Consulting LLC, doing business as Starshine Associates, for Suite 200 in the terminal building at the Glendale Municipal Airport. The initial term of the Lease Agreement is effective through April 30, 2018.

Background

SFM Consulting LLC dba Starshine Associates (SFM) is a women owned small business that has a mission to inspire and empower female entrepreneurs who want to build a business that makes a difference and makes money while living a life that matters to them. They support and mentor women business owners who find their passion and purpose through their company and provide them with training, advice, and resources.

SFM is an existing tenant at the Glendale Municipal Airport. They entered into a Lease Agreement, Contract No. C-11091, for Suite 200B, effective September 15, 2016. SFM has submitted a proposal dated March 13, 2017 to lease the entire Suite 200 of 827.29 square feet to accommodate the expansion of their business needs.

Analysis

SFM will be introducing an innovative, shared work space concept to Glendale where entrepreneurs, independent contractors, and work-at-home professionals can work in a shared office environment for the cost of a membership rather than full cost of an exclusive office rental space. SFM states that there are no other co-working spaces in the west valley. In addition to the memberships, SFM will also provide business seminars, motivational classes, Tai Chi, and fun events.

SFM requested early occupancy of the full suite for renovations and the startup phase of the business with reduced rent through June 30. Beginning July 1, the rental rate will be set at \$19.47 per square foot, per year, with an annual modifier tied to the Consumer Price Index. The Lease may be renewed for five, one-year periods.

The existing lease for suite 200B will be terminated upon execution of this new lease agreement.

Previous Related Council Action

On March 27, 2017, the City Council approved the Master Terminal Agreement Template (Ordinance No. 017-13) for the Airport Terminal Office suites.

Community Benefit/Public Involvement

The Glendale Municipal Airport plays an important role in meeting the demand for aviation services in the West Valley and serves as a general aviation reliever airport for Phoenix Sky Harbor International Airport. SFM has been a good tenant at the airport. The rental of the office suite will provide additional revenues and will increase the potential self-sustainability of the airport, enabling staff to better maintain and operate the public facility.

SFM made a presentation at the Aviation Advisory Commission meeting of March 15, 2017 explaining their innovative business concepts. The Aviation Advisory Commission approved the following motion at the March 15, 2017 meeting to recommend the City Council authorize the City Manager to enter into a Lease Agreement Airport Terminal Office beginning May 1, 2017 with SFM Consulting LLC dba Starshine Associates for office Suite 200 at a negotiated rate of \$19.44 psf/yr plus tax, including a thirty-day written cancellation clause and a 90-day phase-in for payments as detailed in the Starshine AZ proposal.

Budget and Financial Impacts

The yearly revenue for Suite 200 will be \$16,082.52 plus tax or \$16,554.00 including tax, prior to any CPI price modifications.