



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 17-297

Version: 1

Date: 6/12/2017

Item #: 3.3i.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Kristin Rutherford, Urban Development Director

SUBJECT:

BSL Transport LLC ground lease, Salem Municipal Airport

Ward(s): 2

Councilor(s): Andersen

Neighborhood(s): SEMCA

ISSUE:

Shall the City Council authorize the City Manager to execute the attached ground lease with BSL Transport LLC?

RECOMMENDATION:

Authorize the City Manager to execute the attached ground lease with BSL Transport LLC.

SUMMARY AND BACKGROUND:

BSL Transport LLC (Lessee), whose manager is Mountain West Retirement Corporation (a related entity of Bonaventure Senior Living), whose President is Kelley Hamilton, desires to construct a 9,600 square foot hangar for its corporate aircraft on the south end of the Salem Municipal Airport (Airport).

FACTS AND FINDINGS:

Staff and Lessee have come to terms on a proposed ground lease (Attachment 1) at the Airport. Key terms of the lease are;

- Term: 30 years,
- Rate: \$7,735 annually/ \$0.34 per square foot, adjusted annually,

- Size: 22,750 square feet,
- Rent Credit: If necessary, Lessee shall be entitled to a rent credit in an amount equal to the actual cost to relocate existing fire hydrants at the site.

Clint Dameron
Real Property Services Manager

Attachments:

1. Proposed Lease

May 25, 2017