



Staff Report

File #: 20-90

Version: 1

Date: 3/23/2020

Item #: 2.3 a.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Department Director

SUBJECT:

Salem Municipal Airport ground lease with Valmont Industries, Inc.

Ward(s): 2

Councilor(s): Andersen

Neighborhood(s): SEMCA

Result Area(s): Good Governance; Strong and Diverse Economy

ISSUE:

Shall the City Council authorize the City Manager to execute the attached lease with Valmont Industries, Inc. for a ground lease at the Salem Municipal Airport?

RECOMMENDATION:

Authorize the City Manager to execute the attached lease with Valmont Industries, Inc. for a ground lease at the Salem Municipal Airport.

SUMMARY:

Valmont Industries, Inc. (Lessee) (via its predecessor) has leased industrial land at the Salem Municipal Airport (Airport) since 1967. The 9.59-acre site is at 3575 25th Street SE (Property).

FACTS AND FINDINGS:

Key terms of the Lease are below.

Term: 20 years

Rate per square foot: \$0.34

Square Feet: 417,740

Rent Increases: Subject to appraisal every five years

BACKGROUND:

Revenue from the Lease will go to the Airport Fund.

Clint Dameron
Real Property Services Manager

Attachments:

1. Proposed Lease