



Agenda Report

MEETING DATE: Tuesday, December 13, 2022

TO: City Council

FROM: AIRPORT DIRECTOR WILLIAMS

THROUGH: CITY MANAGER MENDEZ

SUBJECT: RESOLUTION APPROVING FOUR YEAR LEASE OF AIRPORT
PROPERTY AT 210 AIRPORT BOULEVARD TO TRYG MINIER
DBA WATTS ON

RECOMMENDED ACTION:

It is recommended the City Council approve a four (4) year lease of Airport property to Mr. Tryg Minier, dba Watts On.

BACKGROUND:

Watts On, originally based in Corralitos, California since 2008, is an individually owned and operated electrical service, supplier and providers of electrical generators. Watts On is a recent non-aeronautical leasehold, previously a sublease tenant to Pied Piper Exterminators.

DISCUSSION:

Mr. Minier and the Airport have negotiated and reached agreement on lease terms for the 2,421 square feet of industrial office located at 210 Airport Boulevard. Lease term is four years at a rate of \$0.95 per square foot, totaling \$2,300.00 per month and subject to standard CPI adjustments over the term, as noted in the attached lease document.

STRATEGIC PLAN:

This four- year lease is aligned with and supports the Airport's Strategic plan and mandate of maintaining a self-sustaining enterprise fund.

FINANCIAL IMPACT:

Current market conditions support a lease rate of \$0.95 per square foot for industrial space on the Airport property. Any future tenant improvements must be approved and at the end of the lease period, all improvements on the premises become the City's property free of all claims. The city will receive \$27,600.00 in the first calendar year from the lease and then more as the consumer price index increase is calculated and billed.

ALTERNATIVE ACTION:

Alternatives include not approving the lease resulting in loss of a long tenured Airport tenant.

ATTACHMENTS AND/OR REFERENCES (If any):

None.