



Agenda Report

MEETING DATE: Tuesday, December 13, 2022

TO: City Council

FROM: AIRPORT DIRECTOR WILLIAMS

THROUGH: CITY MANAGER MENDEZ

SUBJECT: RESOLUTION APPROVING TWO YEAR LEASE OF AIRPORT
PROPERTY AT 200 AIRPORT BOULEVARD TO PRECISION
DYNAMIC MACHINING, INC

RECOMMENDED ACTION:

It is recommended that the City Council approve a two (2) year lease of Airport property to Precision Dynamic Machining, Inc., a corporation.

BACKGROUND:

Precision Dynamic Machining, Inc. is a long tenured non-aeronautical leasehold. The City Council approved the initial Lease on May 1, 2011 by Resolution No. 31-11, and a number of lease renewals and extensions have occurred over the last twelve years.

Precision Dynamic is a family owned corporation and has leased premise, located at 200 Airport Boulevard, consisting of a single-story commercial building and five (5) parking spaces. The original lease provided for options, but all expired May 2021 and the leasehold has been in a hold over status.

DISCUSSION:

The Airport has negotiated and reached agreement on lease terms for the 5,680 square feet of industrial office located at 210 Airport Boulevard. Lease term is two years at a rate of \$1.05 per square foot, totaling \$5,964.00 per month and subject to standard CPI adjustments over the term, as noted in the attached lease document.

STRATEGIC PLAN:

This two-year lease is aligned with the Airport's Strategic Plan and mandate to maintain a self-sustaining airport enterprise fund.

FINANCIAL IMPACT:

Current market conditions support a lease rate of \$1.05 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.

ALTERNATIVE ACTION:

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

ATTACHMENTS AND/OR REFERENCES (If any):

None.