



Agenda Report

MEETING DATE: Tuesday, March 14, 2023

TO: City Council

FROM: AIRPORT DIRECTOR WILLIAMS
ADMINISTRATIVE ANALYST AGUADO

THROUGH: CITY MANAGER MENDEZ

SUBJECT: APPROVAL OF ASSIGNMENT OF 200 AIRPORT BOULEVARD LEASE
TO GLOBAL PRECISION MANUFACTURING, LLC

RECOMMENDED ACTION:

Staff recommends the City Council approve assignment of the remainder of Precision Dynamics Machining Incorporated's two (2) year non-aeronautical facility lease, at 200 Airport Boulevard, to Global Precision Manufacturing, LLC.

BACKGROUND:

Precision Dynamics Machining Incorporated is a family-owned operation and has been an airport non-aeronautical commercial tenant since May 1, 2011. The leased premises, located at Two Hundred Airport Boulevard, consists of a single-story commercial building and six (6) parking spaces. The original lease has been extended and renewed over the years under mutually beneficial terms. In 2022 Precision Dynamics informed the Municipal Airport of its intention to exercise Section 26 of the January 1, 2023 lease renewal.

DISCUSSION:

In mid- 2022, Precision Dynamic Machining principals informed Airport management of the pending sale of their operation and gave notice requesting City approval of the assignment of the lease. As required by the Lease assignment clause, the tenants have provided: (1) prior written notice, (2) \$5,000 deposit and (3) proposed assignee business and financial information supporting the proposed assignment.

Staff is advised that Global Precision Manufacturing, have reached an agreement with Precision Dynamic Machining to acquire the assets and operation doing business as Global Precision Manufacturing, LLC.

Global Precision Manufacturing, LLC., is an original equipment manufacturer (OEM)

of high vacuum products and contract manufacturing. The Precision Dynamic Machining facility compliments Global Precision Manufacturing operations. Precision Dynamics and Global Precision have confirmed employees currently employed will remain employed.

The City Attorney has drafted an Assignment and Assumption Contract for the assignment of the lease to, and assumption by, Global Precision Manufacturing.

This Airport's non-aeronautical commercial facility space currently leases for \$5,964.00 per month. Standard Consumer Price Index (CPI) adjustments are applied annually.

STRATEGIC PLAN:

This assignment is consistent with Strategic Plan objectives of improving and maintaining infrastructure.

3-Infrastructure & Environment

FINANCIAL IMPACT:

Lease would provide revenue of \$5,964.00 per month (\$71,568 annually) to the Airport Enterprise Fund.

ALTERNATIVE ACTION:

Alternatives include not approving the lease assignment.

ATTACHMENTS AND/OR REFERENCES (If any):

- 1) Assignment Notice Request from GPM
- 2) Resolution No. 254-22 Approving Original Lease
- 3) Certificate of Insurance & Endorsements