



**Watsonville**  
CALIFORNIA

## **CITY COUNCIL AGENDA REPORT**

**MEETING DATE:** Tuesday, May 27, 2025  
**TO:** CITY COUNCIL  
**RECOMMENDED BY:** AIRPORT DIRECTOR WILLIAMS  
**APPROVED BY:** TAMARA VIDES, CITY MANAGER  
**SUBJECT:** APPROVAL OF ASSIGNMENT OF 121 AVIATION WAY LEASE TO  
CENTRAL COAST ENERGY SERVICES, INC.

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### **RECOMMENDATION:**

Staff recommends that the City Council approve the assignment of the remainder of Expolmaging, Incorporated's four (4) year non-aeronautical facility lease, at 121 Aviation Way, to Central Coast Energy Services, Incorporated.

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### **BACKGROUND:**

Expolmaging, Inc. markets, designs, manufactures and distributes unique and innovative camera accessories to the photographic market. It occupies a 5,564 square foot area of the building at 121 Aviation Way. Expolmaging, Inc. is a long-standing Watsonville Municipal Airport tenant and has expressed a desire to assign the remainder of the four (4) year non-aeronautical lease to Central Coast Energy Services, Inc.

The original lease has been extended and renewed over the years under mutually beneficial terms.

### **DISCUSSION:**

In December 2024, Expolmaging, Inc.'s principals informed Airport management of their desire to end their City Council-approved Lease early. This was not possible as the Lease does not have an option for parties to mutually agree to end the lease and the lease is a legally binding contract.

Airport management has been actively seeking an assignment. Central Coast Energy Services, Inc. expressed interest in assuming Expolmaging, Inc.'s Lease in May 2025.

As required by the Lease assignment clause, the tenants have provided: (1) prior written notice, (2) \$2,500 deposit supporting the proposed assignment.

This Airport's non-aeronautical commercial facility currently leases for \$5,724.36 per month. Standard Consumer Price Index (CPI) adjustments are applied annually.

## **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION:**

N/A

## **STRATEGIC PLAN:**

**Infrastructure & Environment**

## **FINANCIAL IMPACT:**

The lease would provide revenue of \$5,724.36 per month to the Airport Enterprise Fund.

## **ALTERNATIVE ACTION:**

Alternatives include not approving the lease assignment.

## **ATTACHMENTS AND/OR REFERENCES (IF ANY):**

- 1) Notice of Assignment from Expolmaging