

MINUTES OF THE AIRPORT PROPERTY DEVELOPMENT & LEASES COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

August 14, 2024 at 10:30 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD AND COMMITTEE MEETINGS

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Committee Meeting in person and request to speak to the Committee Members when the Chair calls for public comment.

Alternatively, members of the public who desire to provide input as to any item can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Committee Members for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Airport Property Development & Leases Committee of the Monterey Peninsula Airport District was called to order at 10:35 AM. Directors Miller and Pick, Executive Director La Pier, Controller Wilson and Acting Board Secretary Adams were in attendance. Executive Director La Pier attended via video conference.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None

C. REGULAR AGENDA – ACTION ITEMS

Receive 1. Leasing Activity Review

Executive Director La Pier turned the floor over to Controller Wilson for property lease updates.

Controller Wilson reported the Corporate Hangar has been listed for sale / long-term lease. It has also been rented on a month-to-month basis to Monterey Fuel Company (MFC) beginning August 1, 2024. The current rent is \$9k per month. There is a six month notice to terminate by either party. Executive Director La Pier and Controller Wilson answered questions about the expected usage of the Corporate Hangar.

Controller Wilson reported Forza Motors is now current on their rent. Motion Products, Inc. (MPI) has confirmed they are still intending to purchase Forza Motors but is not able to confirm an expected closing date.

Controller Wilson distributed property maps of the northside of the airport for Directors' reference. He reported on recent discussions with an existing tenant regarding lease extensions and options, which are still under negotiation. There was a discussion about the current tenants and leases in neighboring buildings and their long-term interests.

Controller Wilson advised that the property at 2959 Monterey Salinas Highway is currently leased long term to the owners of the Dole Building and has been improved as a parking lot. The ground lease on the parking lot ends April 30, 2025, but includes 5 options to extend, at five years each. The agreement calls for a rent adjustment to Fair Market Value at the time of extension, which could be less than the current rent. Executive Director La Pier added the airport will negotiate a new Fair Market Value, but there may be slightly less revenue from this lease going forward.

There was a discussion about ongoing communication with a current ground lease tenant about possible changes to his lease. Controller Wilson gave the committee an overview of the development opportunities being contemplated by the current tenant.

D. ADJOURNMENT

The meeting adjourned at 11:20 AM.

*Approved at the
Meeting of August 21, 2024*


Mary Ann Leffel, Chair

ATTEST



*Michael La Pier
District Secretary*