

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE INDIAN WELLS VALLEY AIRPORT DISTRICT
LEASE COMMITTEE**

March 24, 2017 @ 9:00 AM

1. CALL TO ORDER

Director Paris called the meeting to order at 9:20 am. Present were: Directors Jim Paris, Steve Morgan, Assistant General Manager Nicole Hale and District Counsel Scott Nave.

2. REVIEW AND RECOMMENDATION: THARP LEASE

- Hale briefed the committee on the situation regarding Tharp and O'Brien. When the original lease term expired with Tharp, the lease turned into a month to month lease. Once Tharp decided to no longer maintain ownership of the hangar, the District should have been offered first right of refusal. Rather, Tharp sold the building to O'Brien who began paying monthly rent for the land. The options available are to either enter into a new land lease with O'Brien similar to the existing ground leases on the airfield, allowing the purchase of the building, or send a notice of termination for breach of contract and proceed accordingly.
- Director Paris questioned if the ground lease rate was current, Hale noted it had not changed in many years. The committee would like to check with the current CPI and raise the amount on current leases.
- Director Morgan would like to offer O'Brien a land lease at the existing rate for a shortened term to align with the existing leases. The committee has agreed to recommend to the Board offering a 10 year lease with two 5 year options at the current rate of \$0.15/square foot per year with the understanding that the lease committee will be reviewing the rates and most likely increase the amount in the future.

3. PUBLIC COMMENT: None

4. COMMITTEE COMMENT: None

5. ADJOURNMENT

The meeting was adjourned at 10:10 AM