

**CALIFORNIA AVOCADO COMMISSION
SITE SELECTION COMMITTEE MINUTES
August 18, 2009**

A meeting of the Site Selection Committee of the California Avocado Commission (CAC) was held on Wednesday, August 18, 2009 at 3:00 p.m. at the CAC office in Irvine, California, with the following people present:

MEMBERS PRESENT

Andy Bailard
Ben Holtz
Ohannes Karaoghlanian
Bradley Miles
Tom Pecht
Rick Shade
Carol Steed

STAFF PRESENT

April Aymami
Tom Bellamore
Laurie Hill

GUESTS PRESENT

Don Reeder
Charley Wolk

MEMBERS ABSENT

CALL TO ORDER

The meeting was called to order by Carol Steed at 3:05 p.m. with a quorum present.

The minutes were reviewed and the following motions were made:

MOTION: **The Committee approved the June 17, 2009 minutes as presented.
(Miles/Karaoghlanian) MSC**

MOTION: **The Committee approved the July 1, 2009 minutes as presented.
(Shade/Miles) MSC**

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

Irvine Company – Lease “Step Down” Option Update

President Tom Bellamore reported that he followed up on the Irvine company lease, Cal Poly location and the 210 corridor locations.

It was mentioned that there are 22 months remaining on the current lease. Bellamore reported on his conversation with the Irvine Company. He stated that they cannot offer a lease-down without adding the remaining 22 months onto the new contract and amortize it out over the next five years. He said the only other option was to find a tenant to sublease the current office space to. The committee was information that several clients have already been through to look at the office for sub leasing.

He stated that the next goal is to identify another building that would be comparable to what CAC needs with size and price-per-square foot.

Cal Poly Discussions - Update

Bradley Miles reported that he met with Roberto Redondo and Dan Hostettler on August 7, 2009 to view the Cal Poly property along with a few other Committee members. He reported that the building needed cosmetic work, electrical, plumbing and painting upgrades. It was stated that approximately \$82,000 would be necessary for the improvements based on bids he had obtained. He indicated that Cal Poly desires to establish a working partnership with CAC and research work and had also offered to build a custom building for the CAC offices. It was also mentioned that the building is a historic building so the exterior could not be changed.

There was a consensus that the research building was of interest to lease for a research facility for continued research projects in the future.

Discussion ensued.

Bellamore noted that it was a great opportunity, but it would need to make sense economically. It was determined that the next steps would be to get input on the property from the Production Research Committee (PRC). Bellamore said the PRC Chairman, Darrell Nelson, was favorable to the idea. It was noted that it could also be used for future field meetings and grower meetings.

While the short term goal is to move from the current location, if the research building is acquired, then maybe later Cal Poly area could be an area to move in the future. It was stated that it could take up to 2 years to get the offices built suitable as a CAC location in the future.

It was agreed that the PRC, and not the actual researchers, can get involved to evaluate the location and the trees. Mr. Miles will get back to Mr. Hostettler regarding the interest in the research facility.

MOTION: The Committee agrees to assign the Production Research Committee to evaluate the research site and to continue discussions with Cal Poly. (Shade/Bailard) MSC

Site Visits - Update

Ms. Steed discussed the location corridor that was mentioned earlier. She said preliminary work was done in reviewing lease rates on the 210 corridor between Pasadena and Rancho Cucamonga. She said the main reason for exploring that area was to be more central of a drive, but she noted that the drive time would be almost the same travel time as it is now. Moreover, she felt this location wouldn't increase grower participation in the Board meetings.

Her primary concern was that with only nine Board meetings per year, and considering where staff is living, they would be forced to move or have to commute. The impact would be difficult on staff. She suggested offering meetings twice a year in Temecula and twice year in the northern area.

It was agreed that more growers would participate if a meetings were held in their growing regions. It could be announced on the annual calendar in advance and note location of each Board meeting location. Discussion ensued.

Bellamore reported that while conducting searches for leases in the area, a building was found by Ms. Steed close to the current location that was offered a lease - with the option to purchase. They were asking a penny per square foot. With that, they inquired on the property, to find that other offers had come in, bringing the offer up to \$.36 per square foot. They put in a tentative offer to lease for 2 years with option to purchase to keep them interested in CAC. The other that was resented on that property was as a lease only. Discussion ensued regarding the possible lease-options in this market.

There was a general consensus that the option to purchase should not be ruled out in this market.

Additionally, sublease scenarios were provided for the committee's review.

**MOTION: The Committee agreed to continue to pursue this offer.
(Shade/Pecht) MSC**

The Committee drove over to view the property.

NEXT MEETING

It was agreed that the next meeting would be held at a time to be determined.

ADJOURN

The meeting adjourned at 4:30 p.m.

Respectfully submitted,

Tom Bellamore, President