

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

April 8, 2021 - 2:00 PM

SPECIAL AND URGENT NOTICE ELIMINATING IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the directives contained in the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Board of Directors of the Monterey Peninsula Airport District is required to limit in-person attendance at the upcoming Board Committee meeting. Members of the public may utilize alternative measures established by the Monterey Peninsula Airport District to listen to Board meeting and/or to communicate your opinions to the Board Members. To participate in the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: 878 0079 2352. The password for this meeting is: 20210408. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

Members of the public who wish to provide comment on an item on the agenda may do so during the meeting prior to the item being considered by the Board.

A. CALL TO ORDER

The meeting was called to order at 2:04 PM. Director Cursio, Director Miller and Executive Director La Pier were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Discussion 1. Leasing Activity Review

Executive Director La Pier reviewed the negotiations with the new owners of Tarpy's Roadhouse with the Committee. The current lease calls for a mutual five year extension beginning June 1, 2021. The new owners presented suggested terms for the extension which were reviewed at a previous meeting with the committee. The terms called for the five (5) year extension as outlined in the agreement. The only modification to terms proposed was to set an adjustment of 2% during the first year of the extension in place of a CPI adjustment. The adjustment provision would return to a CPI based adjustment during years 2 through 5. In return for this change, the tenant agreed to provide at their cost, \$100,000.00 in capital improvements to the property.

Director Miller stated he was in favor of this agreement and supported moving it to the full Board. He indicated that he had previously thought it would be of interest to modify the agreement to a fixed rent plus a percentage but understood the importance of the capital improvements investment. Director Cursio agreed and suggested he was comfortable with the existing terms and was pleased that the new operator seems to be doing well with the business. He commented that the new owners have been very active in and supportive of the hospitality industry locally since their arrival.

Executive Director La Pier also reviewed with the committee his discussions with REEF/Republic Parking concerning their concession agreement extension. He indicated that after discussions with Bob Linehart of REEF, he felt, as the committee had expressed at a previous meeting, it would be best to

delay any discussions regarding the airport taking on the management of the parking operation until we are certain the recovery is strong and sustained. Director Cursio stated that he felt a good time to take on the parking operations would be as we move closer to the design and construction of the terminal building so the parking lot design and infrastructure would be better coordinated with the new building and its needs. Director Miller agreed.

Executive Director La Pier indicated he would finalize discussions with REEF on a three year extension and have that prepared for Board consideration at the May meeting.

Executive Director La Pier presented the Committee with a work order with the firm Landrum and Brown to conduct a Rates and Charges Analysis and Preparation of a new Airline Lease Agreement for the Airport. This effort was discussed as one of the next steps with the full Board during the most recent Special Meeting regarding the financial analysis. La Pier indicated that he had conversations with two firms, Landrum and Brown and Unison Consulting, and based upon their experience with similar efforts, he engaged Landrum and Brown and asked them to prepare the work order.

The work order is broken into two phases; the completion of the Rates and Charges Analysis and, second, assistance with the preparation of a new Airline Lease Agreement. The first phase is to cost \$25,000.00. Phase 2 is to cost \$35,000.00. Director Cursio expressed his concern regarding the cost of the effort but stated he understood the importance of getting the work done. Director Miller agreed. He asked if Unison had provided a work order as well. La Pier responded that they did not but in conversation it was apparent that Landrum and Brown was the most qualified and experienced.

The committee agreed to recommend authorizing the Executive Director to sign the work order to the full Board at the next meeting.

Discussion 2. Schedule Next Meeting

Scheduling of the next meeting was deferred.

E. ADJOURNMENT

The meeting adjourned at 2:46 PM.

Minutes Approved at the
Meeting of April 21, 2021



Gary Cursio, Chair

ATTEST



Michael La Pier, AAE
District Secretary