

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

June 15, 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](http://www.zoom.us/join) and enter the following Meeting ID: 826 6881 7859. The password for this meeting is: 20210615. 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, Executive Director La Pier, Deputy Director Morello, Pearce Melvin of Kimley Horn and Aaron Bierman of Bierman Technologies were in attendance.*

### B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

*None.*

### C. PUBLIC COMMENTS

*None.*

### D. REGULAR AGENDA – ACTION ITEMS

Presentation 1. Well Water Analysis

*Pearce Melvin of Kimley Horn and Aaron Bierman of Bierman Technologies gave a presentation to the committee regarding an analysis of existing water wells on the south side of the airport. The wells being evaluated are located on Sky Park Drive, the property at 2801 Monterey Salinas Parkway, a location near Monterey Salinas Highway Self Storage and a location near Tarpys. Melvin and Bierman reported the initial findings of well condition for each location. Further they provided the committee with rough cost estimates for further testing as well as an estimate of well capacity.*

*Based on the initial findings, it was recommended by Melvin and Bierman that the airport focus on two of the four wells; the location at 2801 Monterey Salinas Highway and the location near Tarpys.*

*Discussion was had regarding a rough estimate of cost to bring each well up to standard and productivity. Director Cursio asked if the cost would be borne by the Airport or if grant funds were available. Executive Director La Pier indicated that the work would be paid for using the proceeds of the Customer Facility Charge assessed on each car rental contract written at the airport. Director Miller asked about current fund balance of the CFC collections. La Pier replied that current balance was slightly less than \$900,000.00. He further indicated that CFC's can be used to fund capital projects related to car rental activities on airport and the intent behind the well water initiative was to remove the existing car rental car wash from its current potable water source through Cal Am.*

Melvin and Bierman indicated that the next step would be to apply to the County for permits to begin the next phase of the evaluation to further evaluate well capacity. This next step would cost approximately \$2,800.00 per well in permit fees.

After discussion, La Pier indicated he would move the permit process forward so permits could be applied for prior to the end of the month in order to avoid a permit fee increase planned by the County. The Committee agreed this would be an appropriate step.

## Discussion 2. Leasing Activity Review

Executive Director La Pier related to the committee that the lessee of the property owned by the airport as part of the Stone Creek development at the corner of Hwy 218 and Hwy 68, had approached the airport regarding a lease extension. La Pier indicated the current lease, which is well below market value, has 27 years remaining and the lessee was interested in an additional 3 year extension in order to better position the lease for sale. He further indicated that the market value of the property, as established by the airport's real estate broker Ernie Lostrom, would call for an annual lease payment of \$100,000.00 over the proposed 30 year term desired by the lessee. La Pier indicated that the initial lease included a one-time payment of \$250,000 to the airport and that no other lease payments had been agreed to or paid. If the airport were to consider an extension of the agreement, it would be appropriate and in keeping with FAA regulations that the lease be brought up to market value.

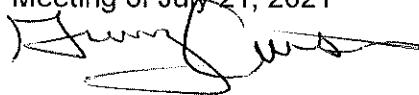
La Pier indicated that he had initial conversations with the lessee and their representatives. During that conversation he proposed the terms as outlined by Lostrom. He indicated that the lessee was going to consider the terms and would then reconnect. As of this meeting, the lessee had not reconnected.

Both Director Cursio and Director Miller expressed support for the proposal and the lease extension if terms could be agreed to.

## E. ADJOURNMENT

The meeting adjourned at 3:21 PM.

Minutes Approved at the  
Meeting of July 21, 2021



Gary Cursio, Chair

ATTEST



Michael La Pier, AAE  
District Secretary