

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

December 9, 2019 - 2:00 PM - Administration Office Conference Room

A. CALL TO ORDER

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

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Discussion 1. Borelli Investments Lease Proposal Response

Executive Director La Pier indicated he had received, through Ernie Lostrom, a response to the draft lease agreement terms presented to Borelli Investments. La Pier reviewed the terms of the response received with the committee noting the changes requested were significant.

Director Miller recalled the terms of the lease terms given to Borelli included a percentage of gross receipts clause and noted he did not see that clause in the counter proposal received from Borelli. La Pier indicated that the letter from Borelli excluded the percentage language indicating that the percentage requirement made the development unworkable.

Director Cursio asked about the percentage clause. La Pier indicated the percentage clause comes from an existing agreement for a similar self-storage operation on the airport. La Pier further indicated that the percentage clause was preferred over a straight ground lease agreement inasmuch as it has performed much better financially for the airport.

Director Miller indicated he thought the terms proposed by Borelli in his counter offer would be unacceptable. He asked if there were other developers that would be interested in the opportunity. La Pier indicated there were at least two developers that had expressed an interest and that Ernie Lostrom was reaching out to others as well. Director Cursio asked if the Exclusive Negotiating Agreement with Borelli had expired. La Pier indicated it had and his recommendation was to begin engaging other potential developers. The Committee agreed.

Discussion 2. Schedule Next Meeting

Scheduling of the next meeting was deferred.

E. ADJOURNMENT

The meeting adjourned at 2:43 PM.

Minutes Approved at the
Meeting of January 8, 2020



Mary Ann Leffel, Chair

ATTEST



Michael La Pier, AAE
District Secretary