

**REGULAR MEETING OF THE  
MONTEREY PENINSULA AIRPORT DISTRICT  
BOARD OF DIRECTORS**

**May 13, 2015 10:00 AM**

**Board Room, 2<sup>nd</sup> Floor of the Airport Terminal Building  
200 Fred Kane Dr. Suite #200  
Monterey Regional Airport**

(Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the meeting. Thank you for your compliance.)

**A. CALL TO ORDER/ROLL CALL**

**B. PLEDGE OF ALLEGIANCE**

**C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS**

1. Introduction of New Employee

<u>Name</u>	<u>Department</u>	<u>Position</u>
Brandon Segovia	Public Safety	Police Officer

**D. PUBLIC COMMENTS**

Any person may address the Monterey Peninsula Airport District Board at this time. Presentations should not exceed three (3) minutes, should be directed to an item **NOT** on today's agenda, and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Though not required, the Monterey Peninsula Airport District Board appreciates your cooperation in completing a speaker request form available on the staff table. Please give the completed form to the Monterey Peninsula Airport District Secretary. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.)

**E. CONSENT AGENDA – ACTION ITEMS**

(10:15AM – 10:20AM Estimated)

(The Consent Agenda consists of those items which are routine and for which a staff recommendation has been prepared. A Board member, member of the audience or staff may request that an item be placed on the deferred consent agenda for further discussion. One motion will cover all items on the Consent Agenda. The motion to approve will authorize the action or recommendation indicated.)

- |         |   |
|---------|---|
| Approve | 1. Minutes of the Regular Meeting of April 8, 2015  |
| Approve | 2. Minutes of the Special Meeting of April 8, 2015  |
| Approve | 3. Minutes of the Special Meeting of April 15, 2015 |

**F. DEFERRED CONSENT AGENDA - ACTION ITEMS**

**G. REGULAR AGENDA – ACTION ITEMS**

(10:20AM-11:30AM Estimated)

- Presentation 1. Monthly Update on the Runway Safety Area (RSA) Project by Kimley-Horn and Associates
- Approve 2. Lease Extension for Rio Restaurants Corporation (Tarpy's)
- Presentation 3. Revenue Review and Comparison between Open-Entry Taxi Operations and The Exclusive Taxi Service with Central Coast Cab Company.
- Adopt 4. Resolution No. 1638, A Resolution to Withdraw From Agreement For the Joint Exercise of Powers to Operate and Maintain a Regional Incident Support Vehicle

**H. ACCEPTANCE OF DEPARTMENT REPORTS**

(11:30AM – 12:00PM Estimated)

*(The board receives department reports which do not require any action by the board)*

LUNCH BREAK (12:00PM – 1:00PM Estimated)

**I. BOARD COMMITTEE REPORTS**

(1:00PM –1:30PM Estimated)

*(Report on meetings attended by Board Members at Monterey Peninsula Airport District's expense - AB1234)*

- a. Standing Committees:
  - i. Local Jurisdiction Liaison Directors Miller & Searle
  - ii. Budget and Finance Directors Miller & Sabo
  - iii. Air Service, Marketing, Community Relations Directors Leffel & Nelson
- b. Ad-Hoc Committees:
  - i. Executive Search Directors Sabo & Miller
  - ii. Community Affairs Directors Sabo & Leffel
  - iii. Airport Property Development & Leases Directors Nelson & Miller
  - iv. Noise Mitigation Director Sabo & Nelson
- c. Liaison/Representatives:
  - i. Local Agency Formation Commission Director Leffel Alt: Searle
  - ii. Regional Taxi Authority Director Leffel Alt: GM Greer
  - iii. Transportation Agency for Monterey County Director Sabo Alt: Nelson
  - iv. Water Management District (Policy Advisory) Director Leffel Alt: Searle

**J. CLOSED SESSION**

(1:30PM –2:30PM Estimated)

1. **REAL PROPERTY NEGOTIATIONS** (Government Code Section 54956.8) the Board will meet with General Manager and District Counsel, regarding the property identified as 100 Sky Park Drive, Monterey, CA 93940.
2. **REAL PROPERTY NEGOTIATIONS** (Government Code Section 54956.8) the Board will meet with Real Property Negotiators, General Manager and District Counsel, regarding the property identified as 2965 Monterey-Salinas Highway, Monterey, CA 93940.
3. **PUBLIC EMPLOYEE APPOINTMENT** (Government Code Section 54957) regarding the following position: Executive Director

**K. RECONVENE TO OPEN SESSION**

**L. PENDING REQUESTS FOR FUTURE AGENDA ITEMS**

- *Discussion of holding elections in-house (District Counsel to research)*
- *Purchase of Board Laptops (Budget Workshop FY16)*
- *Leakage Study*
- *Soundproofing the Board Room / Better quality speaker(s)*

**M. DISCUSSION OF FUTURE AGENDAS**

(Any Board member may request the Board of Directors to instruct staff to report back to the Board at a future meeting concerning any matter or place a matter of business on a future agenda. Approval of such requests will be made by motion.)

**N. ADJOURNMENT**

**AGENDA DEADLINE**

All items submitted by the public for possible inclusion on the Board Agenda or in the Board packet must be received by 5:00 P.M. on the Monday before the first Wednesday of the month. This agenda is subject to revision and may be amended prior to the scheduled meeting. A final Agenda will be posted outside the District Offices in the Terminal Building at the Monterey Regional Airport 72 hours prior to the meeting.

Upon request and where feasible, the Monterey Peninsula Airport District will provide written agenda materials in appropriate alternate formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. In order to allow the District time within which to make appropriate arrangements, please submit a written request containing a brief description of the materials requested and preferred alternative format or auxiliary aid or service desired as far as possible in advance of the meeting. Requests should be sent to the District Secretary at 200 Fred Kane Drive, Suite 200, Monterey, California 93940.

**MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS**  
**April 8, 2015 10:00AM, BOARD ROOM**

**A. CALL TO ORDER/ROLL CALL**

*Chair Sabo called to order the Regular Meeting of the Board of Directors. Directors Leffel, Miller, Searle, and Nelson were present. The following District officers were present: Board Secretary Posey, Auditor Merritt, General Manager Greer and District Counsel Huber.*

**B. PLEDGE OF ALLEGIANCE**

*Director Leffel Led the Pledge of Allegiance.*

**C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS**

*Tom Greer, General Manager, suggested the Regular Board Meeting scheduled for June 10, 2015, be moved to June 17, 2015, because it conflicts with the Annual AAAE Conference on June 7-10, 2015.*

*Director Leffel announced that the Monterey County Business Council's "Celebration of Small Businesses in Monterey County" with Congressman Sam Farr is on Friday, May 8, 2015, from 4:30-6 p.m. at Bayonet Blackhorse Grill.*

*Director Sabo reminded the Board and Staff that the Salinas Airport has been awarded the Aircraft Owners and Pilots Association (AOPA) 2015 Fly-In, scheduled for Saturday, May 16, 2015.*

1. Introduction of New Employee

<u>Name</u>	<u>Department</u>	<u>Position</u>
Devin Church	Public Safety	Police Officer

*Tom Greer, General Manager, and Jeff Hoyne, Police Chief, introduced Devin Church.*

2. General Manager's Management Excellence Award

<u>Name</u>	<u>Department</u>	<u>Position</u>
John O'Neil	Maintenance	Maintenance Supervisor

*Tom Greer, General Manager, and Mark Bautista, Deputy General Manager/Planning & Development, presented John O'Neil, Maintenance Supervisor, with the General Manager's Excellence Award.*

3. Recognition of 10 Years of Service

<u>Name</u>	<u>Department</u>	<u>Position</u>
Mark Bautista	Planning & Development	Deputy General Manager/P&D

*Tom Greer, General Manager, recognized Mark Bautista, Deputy General Manager/Planning & Development, for 10 Years of Service.*



**D. PUBLIC COMMENTS**

None

**E. CONSENT AGENDA – ACTION ITEMS**

(The Consent Agenda consists of those items which are routine and for which a staff recommendation has been prepared. A Board member, member of the audience or staff may request that an item be placed on the deferred consent agenda for further discussion. One motion will cover all items on the Consent Agenda. The motion to approve will authorize the action or recommendation indicated.)

Approve 1. Minutes of the Regular Meeting of March 11, 2015

*Director Leffel moved to approve Item E.1. Director Miller seconded the motion. The motion passed unanimously.*

**F. DEFERRED CONSENT AGENDA - ACTION ITEMS**

None

**G. REGULAR AGENDA – ACTION ITEMS**

Presentation/ Discussion 1. Lease Extension for Rio Restaurants Corporation (Tarpy's)

*Tony Tollner, Managing Partner, with Tarpy's and Tom Greer, General Manager, presented Item G.1 to the board.*

*Tom Greer, General Manager, said that staff will come back with the lease extension at the Board meeting in May.*

Public Comment

*Mike Dawson indicated that this is a rare opportunity for a win-win. He encouraged the Board to approve the lease extension.*

Presentation 2. Monthly Update on the Runway Safety Area (RSA) Project by Kimley-Horn and Associates

*Bob Hamilton, Kimley Horne & Associates, Chris Morello, Project Manager, and Kevin Flynn, Kimley Horne & Associates, presented Item G.2 to the board.*

Approve 3. Board Member attendance at the 87th Annual AAAE Conference and Exposition June 7-10, 2015 Philadelphia, PA

*Director Leffel moved to approve Item G.3. Director Nelson seconded the motion. The motion passed unanimously.*

**H. ACCEPTANCE OF DEPARTMENT REPORTS**

*(The board receives department reports which do not require any action by the board)*

**I. BOARD COMMITTEE REPORTS**

*(Report on meetings attended by Board Members at Monterey Peninsula Airport District's expense - AB1234)*

a. Standing Committees:

- i. Local Jurisdiction Liaison Directors Miller & Searle
- ii. Budget and Finance Directors Miller & Sabo
- iii. Air Service, Marketing, Community Relations Directors Leffel & Nelson

b. Ad-Hoc Committees:

- i. Executive Search Directors Sabo & Miller
- ii. Community Affairs Directors Sabo & Leffel
- iii. Airport Property Development & Leases Directors Nelson & Miller
- iv. Noise Mitigation Director Sabo & Nelson

c. Liaison/Representatives:

- i. Local Agency Formation Commission Director Leffel Alt: Searle
- ii. Regional Taxi Authority Director Leffel Alt: GM Greer
- iii. Transportation Agency for Monterey County Director Sabo Alt: Nelson
- iv. Water Management District (Policy Advisory) Director Leffel Alt: Searle

**J. CLOSED SESSION**

1. **PUBLIC EMPLOYEE APPOINTMENT** (Government Code Section 54957) regarding the following position: General Manager

**K. RECONVENE TO OPEN SESSION**

*Chair Sabo reported that no action was taken in closed session.*

**L. PENDING REQUESTS FOR FUTURE AGENDA ITEMS**

- Discussion of holding elections in-house (District Counsel to research)
- Board Laptops (Budget Workshop FY16)
- Leakage Study
- Soundproofing the Board Room / Better quality speaker(s)
- Revenue comparison between open-entry taxi system and exclusive taxi service with Central Coast taxi.

**M. DISCUSSION OF FUTURE AGENDAS**

**N. ADJOURNMENT**

*The meeting adjourned at 2:50pm.*

**MINUTES OF THE SPECIAL MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT  
BOARD OF DIRECTORS**

**April 8, 2015 2:00PM, BOARD ROOM**

**A. CALL TO ORDER/ROLL CALL**

**B. PLEDGE OF ALLEGIANCE**

**C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS**

**D. PUBLIC COMMENTS**

*None*

**E. CONSENT AGENDA – ACTION ITEMS**

*None*

**F. PUBLIC COMMENTS**

*None*

**G. REGULAR AGENDA – ACTION ITEMS**

Presentation/ 1. MRY Airport Taxi Program Revenue/Expense 2010 – 2015; Transportation  
Discussion Network Company (TNC) MRY Operations; and Policy considerations  
(Director Sabo; no staff report)

*The Board directed staff to present this item at the May 13, 2015 Board Meeting.*

**H. ADJOURNMENT**

*The meeting adjourned at 3:30pm.*

**MINUTES OF THE SPECIAL MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT  
BOARD OF DIRECTORS**  
April 15, 2015 1:00PM  
Offices of LaRiviere & Grubman PC, Building 19 Upper Ragsdale Drive, Ste. 200

**A. CALL TO ORDER/ROLL CALL**

*Chair Sabo called to order the Special Meeting of the Board of Directors. Directors Leffel, Miller, Searle, and Nelson were present. District Counsel Huber was present.*

**B. PLEDGE OF ALLEGIANCE**

*Chair Sabo Led the Pledge of Allegiance.*

**C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS**

*None*

**D. PUBLIC COMMENTS**

*None*

**E. CLOSED SESSION**

1. **PUBLIC EMPLOYEE APPOINTMENT** (Government Code Section 54957) regarding the following position: General Manager

**F. RECONVENE TO OPEN SESSION**

*Chair Sabo reported that no action was taken in closed session.*

**G. ADJOURNMENT**

*The meeting adjourned at 4:55pm.*

**AGENDA ITEM: G-2**  
**DATE: May 13, 2015**

**TO:** Monterey Peninsula Airport District Board of Directors  
**FROM:** Thomas E. Greer, General Manager  
**SUBJ:** Lease Extension for Rio Restaurants Corporation (Tarpy's)

**BACKGROUND AND STAFF ANALYSIS.** Rio Restaurants Corporation, which operates Tarpy's Roadhouse Restaurant ("Tarpy's") has requested a lease extension to allow it to obtain financing to remodel the kitchen facilities on the premises. The Tarpy's leasehold has been in effect for many years. It currently has one 5-year option remaining, to be exercised prior to May 1, 2016. Based on the improvements, as presented at the April meeting by Mr. Tony Tollner, this single option does not provide sufficient time for Tarpy's to obtain financing which will allow it to make these improvements.

In October, 2013, the Board approved a lease modification to reduce the impact of the RSA on Tarpy's operations, as well as to install a new roof on the structures which are owned by the District. If approved, this lease amendment would provide two additional 5-year options to the tenant. Tarpy's lease expires on April 30, 2016; however, the existing unexecuted option (when exercised) will extend the lease until April 30, 2021. These two additional 5-year options will allow the lease to be extended until April 30, 2031, and will allow tenant to borrow and invest up to \$550,000 in modern kitchen equipment and upgrades.

The lease will have an effective term of approximately sixteen years from today's action.

**IMPACT ON OPERATIONS.** None

**IMPACT ON OPERATING REVENUE.** Continue lease payments received for an additional ten years.

**OPERATING BUDGET IMPACT.** None

**CAPITAL BUDGET IMPACT.** None

**RECOMMENDATION.** Staff's recommendation is that the Board approves the amended lease, as presented.

**ATTACHMENTS:** Request for Extension from Tarpy's  
Proposed Lease Amendment  
Lease



# TARPY'S ROADHOUSE

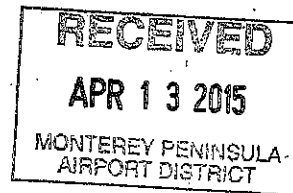
2999 Monterey Salinas Hwy, Monterey, CA 93940

Tel: 831-647-1444, Fax: 831-647-1103, Web: <http://tarpys.com>

Tony Tollner  
Tarpy's Roadhouse  
2999 Monterey-Salinas Hwy.  
Suite 1  
Monterey, CA, 93940

April 10, 2015

Tom Greer  
MPAD  
200 Fred Kane Dr.  
Monterey, CA, 93940



Tom,

Thanks for having me today at your board meeting. I sensed that I was able to give the board, management and attendees a better idea of what we have planned. I'm also grateful for the support that several folks voiced.

I'm asking that two more 5-year options be added to our lease, one beginning in 2021 and the other in 2026. Obviously, we have big things planned and want to be able to amortize our investments and continue to build our relationship with you all and the community.

Please let me know what format (if any) you'd like me to submit to more formally introduce my request. I'll do my best to comply.

Thanks,

Tony T.

## Tom Greer

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**From:** Tony Tollner <tony@dt dining.com>  
**Sent:** Monday, May 04, 2015 1:21 PM  
**To:** Tom Greer  
**Subject:** Construction Estimate

Hi Tom,

I estimate that our construction costs for the remodel will be between \$500,000 and \$600,000. I will be getting a loan from Monterey County Bank to finance the work. I hope to keep the loan to \$500k and it will be a 10 year term. Let me know if you need additional info.

Thanks,

Tony T.

## Tony Tollner

[tony@dt dining.com](mailto:tony@dt dining.com)

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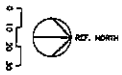
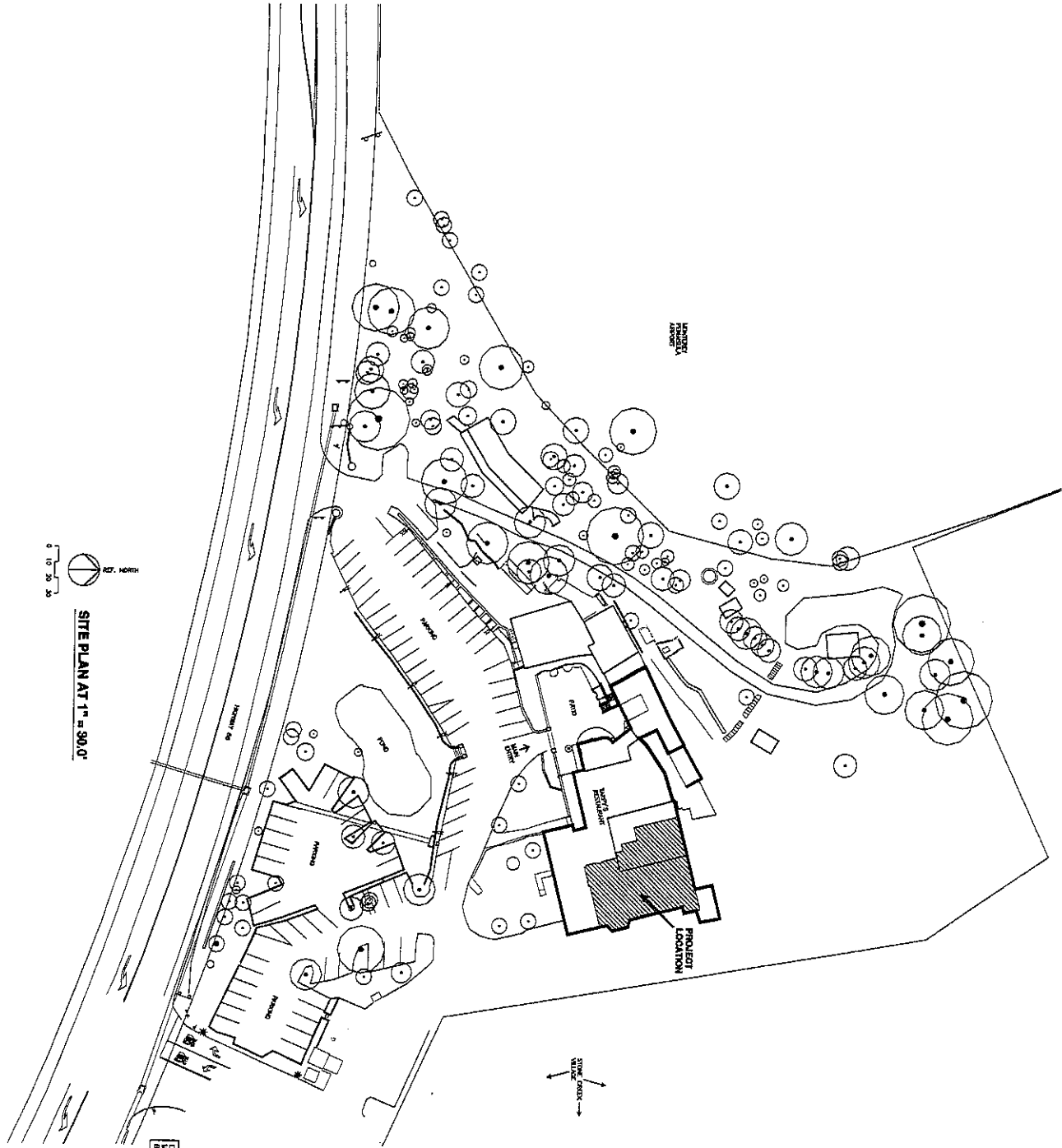
[www.riogrill.com](http://www.riogrill.com)  
[facebook.com/riogrillrestaurant](https://facebook.com/riogrillrestaurant)



[www.tarpys.com](http://www.tarpys.com)  
[facebook.com/tarpysroadhousemonterey](https://facebook.com/tarpysroadhousemonterey)



[www.montrio.com](http://www.montrio.com)  
[facebook.com/montrioBistro](https://facebook.com/montrioBistro)



SITE PLAN AT 1" = 30.0'



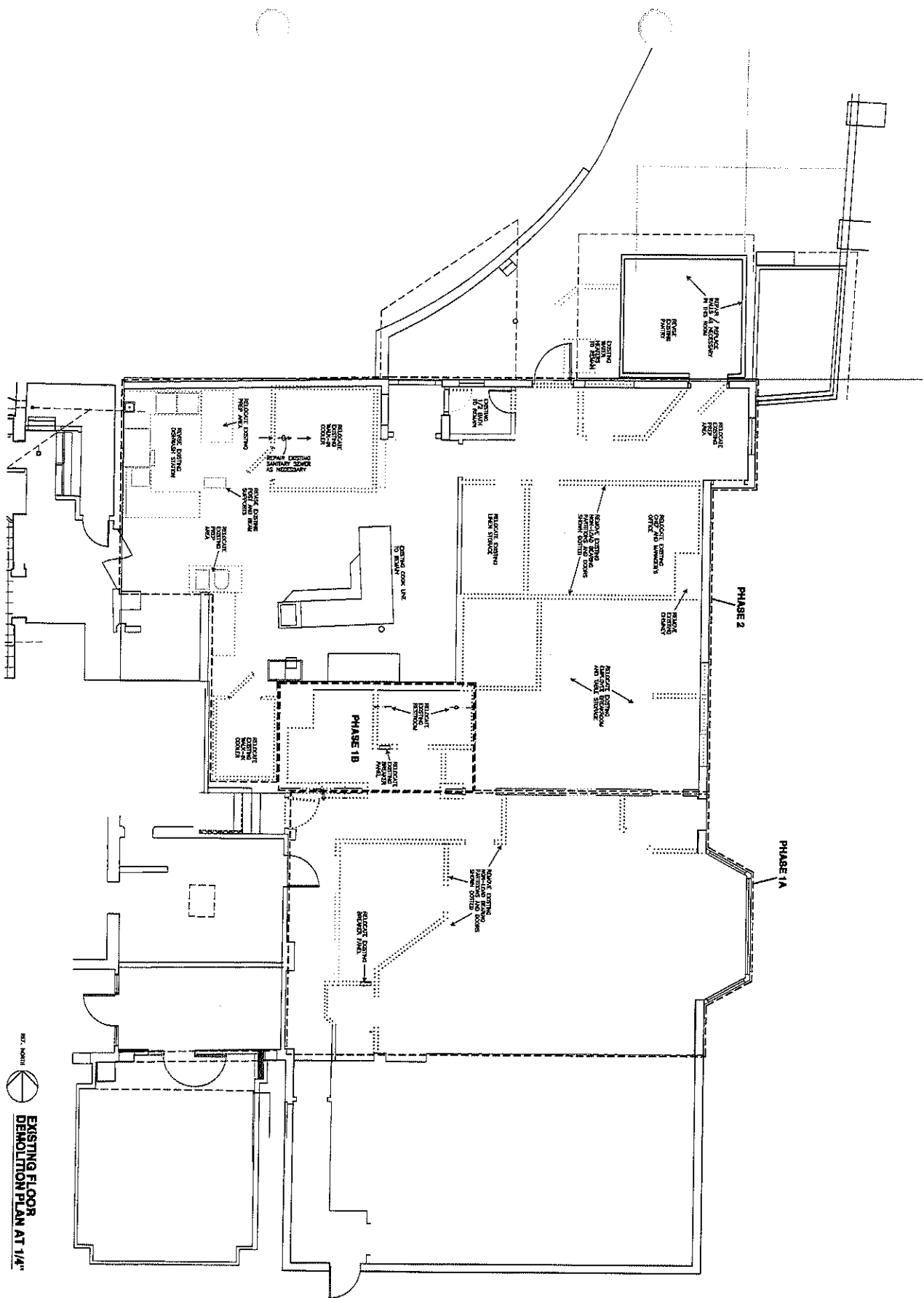
EXISTING LAND USE  
 DATE: 11/11/03  
 DRAWN BY: [unintelligible]

0.3	DATE: 11/11/03
	DRAWN BY: [unintelligible]

## TARPY'S ROADHOUSE TENANT IMPROVEMENTS SITE PLAN

WADE H. REESE AIA, 1015 CASS STREET, MONTEREY, CALIFORNIA 93940 VOICE:(831) 373-7371 FAX:-7385 whr-@bcglobal.net





EXISTING FLOOR  
DEMOLITION PLAN AT 1/4"



DATE: 10/15/08  
ISSUE: 10/15/08

**TARPY'S ROADHOUSE  
TENANT IMPROVEMENTS**

WADE H. REESE AIA, 1015 CASS STREET, MONTEREY, CALIFORNIA 93940 VOICE: (831) 373-7371 FAX: -7385 whr-aia@wbglobal.net



**AMENDMENT TO LAND LEASE AGREEMENT  
BETWEEN THE MONTEREY PENINSULA AIRPORT DISTRICT AND  
RIO RESTAURANTS CORPORATION**

This Amendment (“Amendment”) dated May 13, 2015, is to the Land Lease Agreement between the Monterey Peninsula Airport District (“Lessor”) and Rio Restaurants Corporation (“Lessee”).

In consideration of the terms and conditions herein, and to enhance the condition of the Leased Property, the Lessor and the Lessee agree that the Land Lease Agreement shall be amended as follows:

1. Lessee shall be granted two additional 5-year options, which shall commence on May 1, 2021, and May 1, 2026, respectively.
2. The first sentence of section 8.3(a) is revised as follows: “The option to extend the lease term is subject to negotiation of rent to apply during the first year of each of the option terms.”
3. Within 180 days of the execution of this Amendment, Lessee shall make improvements to the kitchen and/or other portions of the Premises in an amount of not less than \$550,000. Lessee shall provide to Lessor proof acceptable to Lessor which shall demonstrate Lessee’s compliance with this provision.
4. Conflicts between the Agreement and this Amendment shall be controlled by this Amendment. All other provisions within the Land Lease Agreement shall remain in full force and effect

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the date first written above.

**MONTEREY PENINSULA  
AIRPORT DISTRICT**

**RIO RESTAURANTS CORPORATION**

By: \_\_\_\_\_  
William Sabo, Chair

By: \_\_\_\_\_  
Tony Tollner  
Its: Secretary

APPROVED AS TO FORM:

ATTEST:

By: \_\_\_\_\_  
Scott E. Huber, District Counsel

By: \_\_\_\_\_  
Tonja Posey, District Secretary

## LAND LEASE AGREEMENT

**1.0 Preamble.** This Land Lease Agreement ("Lease") is made effective September 11, 2013 by and between the Monterey Peninsula Airport District, a special district of the State of California ("Lessor") and Rio Restaurants Corporation, a California corporation ("Lessee") with reference to the following facts and objectives:

### **2.0 Recitals.**

**A.** Lessor is the owner of certain real property located adjacent to the Monterey Peninsula Airport, comprised of approximately 3.07 acres of land on which buildings are situated along with other improvements, all of which is more particularly described in Exhibit A attached hereto (the "Premises").

**B.** Lessee has occupied the Premises pursuant to a Land Lease Agreement which expired August 31, 1999 and which was followed by four amendments to said Land Lease Agreement, each of which extended the term of the lease agreement.

**C.** Lessor and Lessee now desire to enter into a new lease to enable continued occupancy of the Premises by Lessee and to replace the prior Land Lease Agreement and each of the amendments thereto.

**NOW THEREFORE** the parties agree as follows:

**3.0 Lease.** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Premises subject to each and all of the terms, covenants and conditions set forth in this Lease.

### **4.0 Construction.**

**4.1 Federally Mandated Removal of Residential Premises.** Lessee acknowledges that the Premises contains a residential property which Lessee previously rented to a third party. Lessee further acknowledges that federally mandated work performed at and near the Premises will remove Lessee's ability to rent said residential property and will require the demolition of said residential property by Lessor. Compensation to Lessee for the loss of this portion of the Premises is addressed below at section 8.1.1.

**4.2 Partial Destruction of Landscaping and Miscellaneous Nuisances.** Lessee acknowledges that the federally mandated work at and near the Premises may cause partial destruction of the Premises' landscaping, dust, debris, noise, and other nuisances. Lessee further acknowledges that Lessee has been fully compensated for all such items as described in section 8.1.2, that no further compensation is or will be due to Lessee, and that this Lease fully and fairly mitigates all of Lessee's current, future, and potential losses due the federally mandated work, whether now known or unknown.

**4.3 Roof Replacement and Repairs.** Lessor acknowledges that the roof and rain gutters of the building on the Premises need replacement. Lessee shall replace, or cause the roof and gutters to be replaced, at Lessor's sole cost and expense prior to December 31, 2013. Lessee shall be solely responsible for the timing and work of the roof replacement, including compliance with all engineering, labor, and governmental approval required for the roof replacement. Lessor shall have no obligation to pay for any amount for said roof and rain gutter replacement unless Lessee first seeks and receives approval from Lessor for the design, materials, and construction plans prior to commencement of the work. Absent such prior consent and approval, Lessee shall be solely responsible for all costs incurred to remove and/or replace

said roof and rain gutters.

**5.0 Use.** The authorized uses of the Premises are:

**5.1** Restaurant, wedding chapel and related activities

**5.2** Storage, office and dwelling use

**5.3** Retail sales and related activities

**5.4** Professional office space and related uses

**5.5** Other uses are subject to consent in writing by Lessor, which consent shall not be unreasonably withheld.

**6.0 Term.** The initial term of this Lease shall commence on the date it is fully executed and returned by Lessee to Lessor and shall terminate on April 30, 2016. Subject to the faithful performance of all of the terms and conditions of this Lease, Lessor grants to Lessee the option of extending this Lease for one additional five (5) year period, to begin May 1, 2016.

**7.0 [INTENTIONALLY OMITTED]**

**8.0 Rent and Charges.**

**8.1 Base Rent.** Lessee shall pay Lessor without reduction, abatement, deduction, offset or any prior demand therefor in advance of the first day of each calendar month of the term hereof, rent in the amount of \$18,711.00, subject to adjustment as provided in sections 8.2 and 8.3:

**8.1.1 Reduction in Base Rent for Loss of Residential Property.** Lessee acknowledges that Lessee has been fully compensated for the loss of the residential property (discussed above at section 4.1) from the Premises by a reduction in Lessee's Base Rent in the amount of \$1,600.00 per month. The amount listed in section 8.1 reflects the rent reduction, and that amount should not be further adjusted based on this subsection 8.1.1.

**8.1.2 Credit for Loss of Residential Property.** Lessee acknowledges that Lessee has been fully compensated for *past* loss of rent from the residential property by a credit toward Lessee's Base Rent in the amount of \$36,800.00, as of October 1, 2013, which Lessor hereby grants and acknowledges. Said credit shall be a deduction from the amount of Base Rent Lessee owes under this Lease, and shall not be a payment from Lessor to Lessee. Said credit shall not accrue interest or charges in the amount of said credit, and Lessor may, in its sole discretion, apply the credit to amounts owed by Lessee under this Lease, with all remainders due and owing by Lessee.

**8.2 Annual Adjustment.** The monthly rent and other charges to be adjusted (collectively, "Rent") shall be adjusted, effective July 1, 2013 and effective July 1st of each year thereafter during the term, including any extension thereof, ("Adjustment Date") as follows: The base for computing the adjustment is the Consumer Price Index for All Urban Consumers, San Francisco - Oakland - San Jose Metropolitan Area published by the United States Department of Labor, Bureau of Labor Statistics ("Index") which is published for the month of April 2013 ("Beginning Index"). The monthly Rent for each year beginning on an Adjustment Date shall be set by multiplying the applicable monthly Rent set forth in the Lease by a fraction, the numerator

of which is the Index published for the month of April of the year of adjustment and the denominator of which is the Beginning Index. Lessor may round the resulting figure up to the nearest five dollar (\$5) increment. In no case shall the monthly Rent be less than that established for the preceding year. In no case shall the monthly Rent be more than four percent (4%) above the monthly Rent established for the preceding year. On adjustment of the monthly Rent, Lessor shall notify Lessee of the new monthly Rent. Lessor's failure to promptly notify Lessee of a change in Rent shall not be considered a waiver of Lessor's rights to adjust the Rent due, nor shall it effect Lessee's obligations to pay any increased rent. If the Index is changed so that the base year differs from that used as of the date immediately preceding the Commencement Date the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term hereof such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

### **8.3 Rent Renegotiation.**

(a) The option to extend the lease term is subject to negotiation of rent to apply during the first year of the option term. Either party may give notice of intent to renegotiate rent no earlier than one hundred eighty (180) days and no later than sixty (60) days prior to the end of the then current term. Within ten (10) days of the date such notice is given, the parties shall exercise their reasonable efforts to mutually agree on the fair rental value of the Premises. Any agreed upon rate of rent shall be effective as of the commencement of the option term. Rent for the second and all subsequent years during each option term shall be adjusted in the manner set forth in section 8.2 of this Lease except that the rent to be adjusted shall be that which applied during the initial year of the respective option term and the Beginning Index shall be the Index which is published for the month of April preceding commencement of the respective option term.

(b) If Lessor and Lessee are unable to agree on the amount of rent to apply during the first year of the option term then the rent shall be the then current fair market rent for the Premises, provided however that the rent shall not be less than that which applied during the immediately preceding year. In the event of a dispute between the parties as to what constitutes fair market rent for the Premises, the dispute shall be settled in arbitration. Any rate of rent established through arbitration shall be effective as of the commencement of the option term. The party seeking arbitration (the "Requesting Party") shall serve the other party (the "Responding Party") with a written notice setting forth the name, address, telephone number and qualifications of the arbitrator selected by the Requesting Party. The Responding Party shall have the right to name an additional arbitrator within fifteen (15) days from the date of service of the initial request by serving a written notice setting forth the name, address, telephone number and qualifications of the arbitrator selected by the Responding Party. Any such notices shall be personally delivered or mailed and shall be deemed served immediately in the case of personal service, or twenty-four (24) hours after the time of mailing in the case of service by mail. If the Responding Party does not timely name an additional arbitrator, then the dispute shall be resolved by the first arbitrator appointed whose decision shall be binding on the parties and the parties share equally in the payment of said arbitrator's fee. If two arbitrators are timely named then they shall within fifteen (15) days after the naming of the second arbitrator appoint a third arbitrator. The decision of two of the three arbitrators shall be binding on the parties. Each party shall bear the fees of its appointee and shall share equally the fees of the third arbitrator. The arbitrator(s) shall be instructed by both Lessor and Lessee that the arbitration is to be conducted, completed and a written decision rendered and delivered to each of the parties all within sixty (60) days of the date of appointment of the sole arbitrator if there be one, or the third arbitrator if there be three. If the sole arbitrator if there be one, or at least two of the arbitrators if there be three, cannot render a decision within said time frame, effective as of the commencement of the

option term the rate of rent shall, temporarily, be set at one hundred five percent (105%) of the amount which would have been the rent if the rent had been adjusted in the manner set forth in section 8.2 of this Lease. Lessee shall within ten (10) days of the temporary rate of rent being triggered pay to Lessor any difference between the rent which was actually paid since the commencement of the option term and the temporary rate of rent set forth above for the period from commencement of the option term until the date when the next installment of rent is due. The temporary rate of rent shall continue until such time as the arbitrator(s) deliver(s) the written decision to the parties, at which time the rate of rent shall be established at the amount set forth in the decision of the arbitrator(s). If the rate of rent established by the arbitrator(s) exceeds the temporary rate of rent, then Lessee shall within ten (10) days following delivery of the decision of the arbitrator(s) pay to Lessor the difference between the rent actually paid and the rent established by the arbitrator(s) for the period from commencement of the option term through the date when the next installment of rent becomes due. If the temporary rate of rent exceeds the rate of rent established by the arbitrator(s) then Lessor shall within ten (10) days following delivery of the decision of the arbitrator(s) credit to Lessee's account the difference between the rent actually received and the rent established by the arbitrator(s) for the period from the commencement of the option term. Time is of the essence of this provision and a material term of this Lease. In order to be qualified to serve as an arbitrator hereunder the arbitrator must be a licensed real estate broker in good standing within the State of California having no less than ten (10) years of experience dealing in commercial real estate in the Monterey Peninsula region. The third arbitrator, if any, must also not have represented either of the parties in any real estate dealings within the past ten (10) years.

**8.4 Additional Rent.** In addition to the monthly rent payable under section 8.1 of this Lease, Lessee shall pay Lessor without reduction, abatement, deduction, offset or any prior demand therefore in advance of the first day of each calendar month, additional rent in the sum of \$845.00. Such additional rent shall continue each month through and including the month of September 2014. The additional rent shall not be subject to annual adjustment, nor shall the additional rent be considered in any renegotiation of fair market rent.

**8.5 Utilities.** Lessee shall pay all charges for all electricity, gas, water, sewer, trash disposal and other utility services which may be used or consumed on or for the Premises. Lessee shall have the right at its sole cost and expense to provide additional utility service to the Premises or upgrade existing utilities as may reasonably be required by Lessee subject to Lessor's prior written approval of plans and specifications therefor, which approval shall not unreasonably be withheld.

**8.5.1** Lessee may during the term of the Lease use the well on the Premises. Lessor shall retain the right to use the well, provided that Lessor shall not exclude Lessee from use of the well. Any use of the ground water under the Premises by Lessee shall be for use on the Premises only.

#### **8.6 Late Payments and Charges.**

**8.6.1 Interest.** If Lessee shall fail to pay, when the same is due and payable, any rent, amounts or charges payable hereunder, such unpaid amount shall bear interest from the due date to the date of payment at the rate of one percent (1%) per month up to the maximum rate allowed by applicable usury law. Notwithstanding the foregoing, interest will not be charged on payments of such rent, amounts or charges received by Lessor prior to 5:00 p.m. on the 20th day of the month when due.

**8.6.2 Late Charge.** Lessee acknowledges that late payment by Lessee to Lessor of rent or other charges payable hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which are extremely difficult and impracticable to fix. Such costs



include, without limitation, processing and accounting charges, late charges which may be imposed on Lessor and additional property management expenses. Therefore, if any installment of rent or other charges payable hereunder due from Lessee is not received by Lessor prior to 5:00 p.m. on the 20th day of the month when due, Lessee shall pay to Lessor as a late charge an additional sum of five percent (5%) of the amount of rent which is due but unpaid. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Lessor will incur by reason of late payment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, or prevent Lessor from exercising any of the other rights and remedies available to Lessor.

**8.7 Security Deposit.** On execution of this Lease, Lessee shall deposit with Lessor, or provide a surety bond, certificate of deposit or a letter of credit meeting the reasonable satisfaction of Lessor, as security for the faithful performance of the terms, covenants and conditions of this Lease, a sum equivalent to one (1) month base rent. Upon adjustment of rent, Lessee shall increase the amount of the security deposit so as to maintain at all times a sum on deposit equivalent to one (1) month then current rent. If Lessee is in default, Lessor may use the security deposit provided or any portion of it, to cure the default or to compensate Lessor for any damages or loss sustained by Lessor resulting from Lessee's default. Lessee shall immediately on demand pay to Lessor a sum equal to the portion of the security deposit expended or applied by Lessor as provided in this paragraph so as to maintain the security deposit in the amount required by this section. Upon final accounting by Lessor, any balance shall be refunded to Lessee without interest.

#### **9.0 Use Conditions and Reservations.**

**9.1 Compliance with Rules, Regulations, Ordinance, Codes and Laws.** Lessee shall at Lessee's sole cost and expense at all times during the term of this Lease or any renewal or extension thereof comply with and observe all rules, regulations, ordinances, codes and laws which have been or may be promulgated by Lessor or by other jurisdictions that relate to the Premises and the use of the facilities of the Airport including all fire regulations, safety regulations, noise control regulations and security regulations. Such rules, regulations, ordinances, codes and laws are hereby made a part of this Lease and Lessee's failure to keep and observe the rules and regulations shall constitute a breach of the terms of this Lease in like manner as if the same were contained herein as covenants and conditions. Lessor reserves the right to amend or supplement the rules, regulations, ordinances, codes and laws and to adopt additional rules, regulations, ordinances, codes and laws applicable to the Premises, to Lessee's use of the Premises, and the use of the facilities of the Airport. Lessor shall have no obligation to Lessee as a result of the violation of any such rules by any other person. Lessee shall at all times obey the statutes, codes, ordinances, laws and regulations of the United States of America, the State of California, the County of Monterey and any other governmental entity having jurisdiction as the same may from time to time be amended during the term of this Lease.

**9.1.1 Airport Appropriated by Federal Government.** If the airport or any part thereof is appropriated by the Federal Government in a national emergency and, as a result thereof, LESSEE is prohibited by Federal law, rule or regulation from using or occupying the Premises, and LESSEE for such reason does not use or occupy the Premises and is not otherwise compensated for loss of use caused thereby, then, during the period in which all these conditions exist, LESSEE shall not be entitled to recover from LESSOR. Each and every provision, term and condition of this Lease shall remain in force and effect, unless by reason of the Federal Government's having appropriated the airport or any part thereof, LESSEE shall be physically or legally prevented from carrying out such provisions, terms and conditions; LESSEE's obligation in this regard shall be suspended only during the period of time LESSEE is prevented from carrying out such obligations by reason of such appropriation by the Federal Government. The term of this Lease shall not be extended because of the occurrence of the above conditions.

LESSEE's obligation to pay rent and any other monetary payments to LESSOR shall also be suspended during the period of time LESSEE is prevented from occupying the Premises by reason of such appropriation. In the event LESSEE is prevented from occupying the Premises as a result of such appropriation for a period of more than sixty (60) days, LESSEE shall have the right to terminate this Lease.

**9.1.2 Non-discrimination.** The LESSEE, in the operation and use of the lands and buildings at the Airport will not on the grounds of race, age, religion, color, sex, handicap, marital status or national origin discriminate or commence discrimination against any person, or group of persons, in any manner prohibited by Part 15 of the Federal Aviation Regulations. Non-compliance with the above assurances shall constitute a material breach and, in the event of such non-compliance, LESSOR may take appropriate action to enforce compliance, may terminate the Lease agreement to which this covenant relates, or seek judicial enforcement.

**9.1.3 Agreement with the United States.** This Lease shall be subordinate to the provisions of any existing or future agreement between LESSOR and the United States of America relative to the use, operation or maintenance of the Airport, the execution of which agreement had been or may now or hereafter be required as a condition precedent to the expenditure of Federal Funds for the development of the Airport; provided, that if, in the consequence of the subordination of this Lease to such agreement, LESSEE is required to give up any part or all of these leased premises or to alter, remove and/or relocate any part or all of its improvements, adjustment of rent shall be made by mutual agreement between LESSOR and LESSEE.

**9.1.4 Rights to Amend.** In the event the Federal Aviation Agency requires modifications or changes in this Lease as a condition precedent to the granting of funds for the improvement of the air terminal or lands and improvement covered by its laws, rules or regulations, LESSEE agrees to consent to such amendments, modifications or requirements of this Lease as may be reasonably required to obtain such funds; provided, however, that in no event will LESSEE be required, pursuant to this paragraph, to agree to an increase in the rent provided for hereunder or to a change in the use (provided it is an authorized use hereunder) to which LESSEE has put the Premises.

**9.1.5 Compliance with Federal Regulation.** LESSEE, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained or otherwise operated on said property described in this Lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964.

**9.1.6 Compliance with Department of Transportation Regulations.** LESSEE, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land, that: (1) no person on the grounds of race, age, religion, color, sex, handicap, marital status or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that, in the construction of any improvements on, over, or under such land and the furnishings of services thereon, no person on the grounds of race, age, religion, color, sex, handicap, marital status or national origin shall be excluded from participation in, denied benefits of, or otherwise be subject to discrimination, (3) that LESSEE shall use the Premises in compliance with all other requirements imposed by or

pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

**9.1.7 Breach of Non-discrimination Covenants.** In the event of breach of any of the above nondiscrimination covenants, LESSOR shall have the right to terminate the Lease and to render and repossess said land and the facilities thereon, and hold the same as if the Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR are followed and completed including expiration of appeal rights.

**9.1.8 Non-Discriminatory Prices.** LESSEE shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that LESSEE may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

**9.2 Other Use Restrictions.** Lessee shall not commit or suffer to be committed any waste upon the Premises or any public or private nuisance or any other act or thing which may disturb the quiet enjoyment of any other person or organization at the Airport. Lessee's method of lighting the Premises and its installation of all exterior light fixtures shall be subject to Lessor's prior approval, which shall not unreasonably be withheld. Lessee shall maintain access control to the Premises in conformance with Federal Airport Security regulations, the security plan of Lessor and other federal and Lessor directives and regulations that may be issued. All motor vehicles parked or operated upon the Premises by Lessee, its officers, employees, passengers, guests, patrons and invitees shall be parked or operated in accordance with Lessor's traffic and parking regulations, ordinances and other directives.

### **9.3 Reservations.**

**9.3.1** Lessor reserves the right to install, lay, construct, maintain, repair, and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, and connections; water, oil and gas pipelines; telephone, telegraph and electric power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across and along any and all portions of the leased premises. No right reserved by Lessor in this clause shall be so exercised as to interfere unreasonably with Lessee's operations hereunder or to impair the security of any secured creditor of Lessee authorized by this Agreement. Lessor agrees that rights granted to third parties by reason of this clause shall contain provisions that the surface of the Premises shall be restored as nearly as practicable to its original condition upon the completion of any construction.

**9.3.2** Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Lessee and without interference or hindrance. Lessor reserves the right, but shall not be obligated to the Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.

**9.3.3** This Lease is subordinate to the provisions and requirements of any existing or future Agreement between the Lessor and the United States, including but not limited to agreements with the Federal Aviation Administration, relative to the development, operation or maintenance of the Airport. Lessee agrees to conform its use with all applicable Federal Aviation Regulations and further agrees that nothing in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308A of the Federal Aviation Act of 1958, as amended, (49 U.S.C. 1349a). Lessor reserves the right to take any

action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to erect, any building or other structures on the Airport which, in the opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft.

#### **10.0 Maintenance of Premises.**

**10.1 As Is.** Lessee agrees to accept the Premises in an "as is" condition. Lessee acknowledges that it has inspected the Premises as thoroughly as Lessee desires. Lessee agrees that Lessor has made no warranties or representations of any kind respecting the conditions of the Premises or the condition of any improvements or utilities located thereon.

**10.2 Maintenance Costs.** Lessee at its sole cost and expense shall at all times maintain the Premises, including grounds, buildings, structures and improvements in a good state of repair and in a safe, clean, neat and sanitary condition. Lessee hereby waives the provisions of sections 1941 and 1942 of the Civil Code of the State of California and any statutes, laws or ordinances now or hereafter enacted permitting Lessee to make repairs at the expense of the Lessor or to terminate the Lease by reason of the condition of the Premises. In the event Lessee fails to make any repairs required to be made by Lessee in accordance with the terms of this section, after providing ten (10) days' written notice (unless for emergency) Lessor shall have the option but not the obligation to make such repairs at the expense of Lessee. Lessee shall pay as additional rent due hereunder upon demand all costs of Lessor for making such repairs. Lessor shall have no liability to Lessee for any damage, inconvenience or interference with the use of the Premises by Lessee as a result of the making of any repairs made by Lessor under this section and the rent shall not be abated by reason thereof.

**10.3 Masonry Walls.** Lessee acknowledges that Lessor believes the Property consists at least in part of unreinforced masonry walls. Lessee further acknowledges that Lessor retains the right, at Lessor's exclusive discretion, to add signage to the Property stating that it consists of unreinforced masonry walls. In the event any governmental agency acting with jurisdiction requires any reinforcement of unreinforced masonry wall on the Premises, Lessor shall be solely responsible for the cost of any such reinforcement. In the event that Lessor is unable to pay for the reinforcement, or if Lessor determines that is not financially feasible to undertake the reinforcement, Lessor shall have the right to cancel the lease without any further obligation to Lessee provided Lessor gives notice to Lessee of no less than 12 months of such cancellation, unless a shorter notice is required by another governmental agency acting with jurisdiction.

#### **11.0 Alterations and Improvements.**

**11.1 Alterations and Improvements in General.** Lessee shall not install, make, or suffer to be made, any alterations or improvements to the Premises or any part thereof without the prior written consent of Lessor which shall not unreasonably be withheld. All work performed by Lessee shall be performed in accordance with good construction practices, applicable governmental requirements, the requirements of any insurance policy providing coverage to the Premises and the general and special conditions, plans and specifications approved by Lessor. Lessee shall comply with all construction and labor regulations of Lessor and shall provide all bonds and insurance required by Lessor, including such proof of bonding and insurance coverage as Lessor may require. All alterations or improvements performed by Lessee shall be carried out by licensed contractors reasonably approved by Lessor and shall be carried out in accordance with all applicable laws and regulations. Lessee shall at Lessee's sole cost and expense obtain all necessary permits, licenses and authorizations in connection with the construction. Lessee's work shall be subject to the general inspection of Lessor. Lessee shall provide proof satisfactory to Lessor that Lessee's contractor will (a) provide warranties for not less than one year against defects in workmanship, materials, and equipment; (b) carry or cause

to be carried worker's compensation insurance covering all of the contractor's and its subcontractor's employees; and (c) carry public liability and property damage insurance which names Lessor as an insured and requires thirty (30) days prior written notice to Lessor before any change in or cancellation of coverage becomes effective. The policy or policies shall contain liability limits of not less than One Million Dollars (\$1,000,000) single limit coverage. Lessor shall have the right to post a notice of non-responsibility for liens arising out of any work performed, materials furnished and obligations incurred by Lessee. Lessee agrees to advise Lessor in writing at least ten (10) business days in advance of the date upon which alterations will be commenced in order to permit Lessor to post such a notice. Lessee shall keep the Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by Lessee. Lessee shall indemnify, defend and hold Lessor harmless against any claim, demand, liability or expense on account of claims for work done or materials supplied for Lessee or person claiming under it.

**11.2 Exterior Awning.** Lessee has requested that Lessor permit the construction of an awning to extend from the Premises' fixed building and partially cover an exterior patio. Said awning shall be affixed to and extend from an exterior wall. Lessor agrees to reimburse Lessee an amount not to exceed \$20,000.00 for the purchase and installation of said awning. Lessor shall have no obligation to reimburse Lessee for any amount for said awning unless Lessee first seeks and receives approval from Lessor for the design, materials, and construction plans for said awning. Absent such prior consent and approval, Lessee shall be solely responsible for all costs incurred to remove and/or replace said awning. Even with the prior approval of Lessor, Lessee shall alone be responsible for all costs incurred to repair and/or replace said awning, even if such is necessary due to normal wear, tear, and exposure to the elements. Lessee shall alone be responsible for all costs to remove said awning in the event removal is necessary. Lessor, in its sole discretion, may require Lessee, at Lessee's sole expense, to remove, repair, and/or replace said awning when it becomes worn and/or unsightly. Failure of Lessee to comply in full with the provisions of this paragraph shall constitute a material breach of this Lease.

**12.0 Surrender of Premises.** Upon the expiration or earlier termination of this Lease, Lessee shall vacate and surrender the Premises and all improvements and alterations made thereto in good condition, reasonable use and wear excepted. If required by Lessor, Lessee shall remove prior to the date of termination at Lessee's expense, any or all of its trade fixtures, equipment, machinery, materials or other personal property which are not an integral part of the Premises and shall repair any damage to the Premises caused by such removal. This covenant shall survive the expiration or sooner termination of the term of this Lease. Lessee shall have the option to remove its movable furniture and trade fixtures prior to the expiration or sooner termination of the term of this Lease, provided that any damage to the Premises caused by such removal is repaired by Lessee. All improvements, additions to or alterations of the Premises with respect to which Lessee does not exercise its option to remove or Lessor does not require removal (each pursuant to this section) shall at the termination of the Lease remain attached to and become part of the Premises.

**13.0 Damage, Destruction or Condemnation.**

**13.1 Damage or Destruction.** If the Premises are damaged or destroyed during the term hereof, Lessor agrees to consult with Lessee on the advisability of repairing or rebuilding the Premises. In the event there is destruction or damage to the Premises, Lessee may either elect to repair or rebuild the Premises or may elect to terminate this Lease by giving notice of such election in writing to Lessor within sixty (60) days after the occurrence of the event causing the damage. If Lessee elects to terminate, all insurance proceeds received by either party as a result of the cost of repairing damage to the Premises shall belong to Lessor. If Lessee does not elect to terminate, this Lease shall continue and Lessee shall diligently complete the repair or rebuilding of the Premises. If Lessee elects to repair or rebuild, the damage shall be promptly repaired by

Lessee at Lessee's expense, provided that Lessee shall apply any insurance proceeds received as a result of such damage to the repair or replacement of the Premises. If damage to the Premises or repair or rebuilding of the Premises after such damage renders the Premises untenable in whole or in part and the damage is not due to the default or neglect of Lessee and Lessee elects to repair such damage pursuant to the provisions of this section, then a proportionate abatement of the rent shall be allowed from the ninetieth (90th) day following the date on which such damage occurs until the date Lessee completes repairs, but in no event for longer than an aggregate of one hundred eighty (180) days. Lessee hereby waives any rights it may have under the provisions of California Civil Code section 1932(2) and section 1933(4) or any successor statute thereto regarding repair and termination after destruction of part or all of the Premises.

**13.2 Total Taking.** If all the Premises are taken or condemned for a public or quasi-public use, this Lease shall terminate as of the date of condemnation and Lessee shall thereupon be released from any liability thereafter occurring hereunder.

**13.3 Partial Taking.** If any part of the Premises are taken or condemned for a public or quasi-public use and there is such a major change in the character of the property as to prevent Lessee from using the Premises in substantially the same manner as theretofore used then in such event Lessee may terminate this Lease as of the date of condemnation by giving written notice to Lessor within fifteen (15) days after the date of condemnation. If any part of the Premises are taken or condemned for a public or quasi-public use and Lessee does not have the power to terminate this Lease as hereinabove set forth, then this Lease shall continue in full force and effect except that as to the part so taken this Lease shall terminate as of the date of condemnation and the monthly rent payable hereunder shall be adjusted so that Lessee shall be required to pay for the remainder of the term only such portion of such rent as the value of the remaining part after condemnation bears to the value of the Premises at the date of condemnation. Each party hereby waives the provisions of California Code of Civil Procedure section 1265.130 or any similar statute allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

#### **14.0 Default.**

**14.1 Event of Default.** Each of the following events shall be an event of default hereunder by Lessee and a breach of this Lease:

**14.1.1** The failure by Lessee to pay Lessor any rent or other charges due under this Lease as and when the same become due and payable if such nonpayment continues for a period of three (3) days after written notice thereof by Lessor to Lessee;

**14.1.2** The failure by Lessee to perform or observe any other agreements, terms, covenants or conditions hereof if such nonperformance or nonobservance continues for a period of ten (10) days after written notice thereof by Lessor to Lessee or such performance or observance cannot be had within such 10-day period then if Lessee has not in good faith commenced such performance within such 10-day period and does not diligently proceed therewith to completion;

**14.1.3** The filing by or against Lessee in any court pursuant to any statute of the United States or of any state of a petition in bankruptcy or insolvency or for reorganization or arrangement or for the appointment of a receiver or trustee of all or any portion of Lessee's property if within thirty (30) days after the commencement of any such proceedings against Lessee or after such assignment for the benefit of creditors such petition shall not have been dismissed or such assignment shall not have been revoked;

**14.1.4** The transfer of Lessee's interest in this Lease to any person, firm or corporation

whether voluntarily or by operation of law except in the manner expressly permitted in this Lease; or

**14.1.5 Vacating or abandoning the Premises by Lessee at any time during the term hereof for a period in excess of fourteen (14) consecutive days.**

**14.2 Lessor's Remedies.** Lessor shall have the following remedies in the event of default. The remedies are not exclusive-they are cumulative and in addition to any remedies now or later allowed by law. Lessor can continue this Lease in full force and effect. The Lease will continue in effect as long as Lessor does not terminate Lessee's right to possession and Lessor shall have the right to collect rent when due during the period Lessee is in default. Lessor can enter the Premises and relet them or any part of them to third parties for Lessee's account. No act by Lessor in reletting the Premises allowed by this section shall terminate this Lease unless Lessor notifies Lessee that Lessor elects to terminate this Lease. Lessor can terminate Lessee's right to possession of the Premises at any time upon giving notice to Lessee. No act by Lessor other than giving notice to Lessee shall terminate this Lease. In the event of Lessee's default and Lessor's re-entering of the Premises, Lessee agrees to pay Lessor as an additional item of damages the cost of repairs, alterations, redecorating, lease commissions and Lessor's other expenses incurred in reletting the Premises to a new tenant.

**14.3 Attorneys' Fees.** In the event of any action at law or in equity (or in the event of any arbitration required by the terms of this Lease) between Lessor and Lessee arising out of or concerning this Lease or any right or obligation derived therefrom, then in addition to all other relief at law or in equity, the prevailing party shall be entitled to recover from the unsuccessful party all attorneys' fees and costs incurred therein by the prevailing party.

#### **15.0 Indemnity and Insurance.**

**15.1 Waiver.** This Lease is made upon the express condition that Lessee hereby waives all claims against Lessor for damages to property or for injuries or death to any person or persons from any cause except to the extent of the negligence of Lessor or any of its agents, employees or servants arising at any time.

**15.2. Indemnity.** Each party hereby agrees to and shall indemnify, defend and hold the other harmless from and against any and all claims, demands, actions, damages, liability and expense in connection with or for loss of or damage to property or injury or death to any person from any cause whatsoever (except to the extent caused by any act or omission of the indemnified party, or any of its agents, employees or servants) while in, upon or about the Premises or any such claims, demand or the like arising from or out of any occurrence in, upon or at the Premises from or in connection with the occupancy or use of the Premises or any part thereof or from or in connection with the business conducted in the Premises or occasioned wholly or in part by any act or omission of the indemnifying party, its agents, contractors, employees, licensees or concessionaires (except to the extent caused by any act or omission of the indemnified party, or any of its agents, employees or servants).

**15.3 Insurance Coverage.** During the term of this Lease including any extension or renewal thereof, Lessee at its cost shall at all times maintain in full force and effect comprehensive public liability insurance and property damage insurance (each more particularly described below) upon the Premises.

**15.3.1 General Liability.** Comprehensive general liability insurance with a minimum of not less than One Million Dollars (\$1,000,000) combine single limit annual aggregate for bodily injury and property damage in connection with the use by Lessee, sublessees, invitees, agents, suppliers and employees on the Premises.

**15.3.2 Liquor Liability.** Lessee shall maintain liquor liability insurance in the amount of One Million Dollars to cover any injury as the result of the selling, serving or furnishing of alcoholic beverages on the Premises.

**15.3.3 Fire Insurance.** Lessee shall maintain fire insurance covering the Premises and all improvements, including protection against perils included within the classification standard fire and extended coverage together with insurance against vandalism and malicious mischief; in an amount sufficient to fully cover the replacement cost of all improvements.

**15.4 Other Insurance Requirements.** All policies shall name Lessor as an additional insured. Insurance shall be with a company or companies reasonably satisfactory to Lessor in the amounts of not less than that specified herein or in minimum amounts as may be subsequently adjusted by Lessor in the exercise of its reasonable business judgment and consistent with airport industry practice for similar kinds of activities. Lessee shall at all times during the term of this Lease, including any extension or renewal hereof, provide Lessor with a certificate from the insurance carrier or carriers insuring Lessor and Lessee as set forth herein. Insurance policies shall not be subject to cancellation except after notice to Lessor by registered mail at least thirty (30) days prior to such cancellation. Where policies have normal expirations during the term of this Lease or any extension thereof written evidence of renewal shall be furnished to Lessor thirty (30) days prior to such expiration.

**15.5 Waiver of Subrogation.** The parties release each other and their respective authorized representatives from any claims for damage to any person or to the Premises and to the fixtures, personal property, Lessee improvements and alterations by Lessor or Lessee in or on the Premises that are caused by or result from risks insured against under any insurance policy carried by either party and in force at the time of any such damage to the extent of the insurance proceeds received from such policy. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. If the insurance cannot be obtained or the party in whose favor a waiver of subrogation is desired refuses to pay the additional premium charged the other party is relieved of the obligation to obtain a waiver of subrogation right with respect to the particular insurance involved.

**16.0 Hazardous Substances.** The provisions of this section 16, which govern Lessee's obligations with regard to hazardous substances, as defined below, shall survive termination of this Lease.

**16.1 Responsibility for and Definition of Hazardous Substances.** Lessee agrees to indemnify, defend, protect and hold Lessor free and harmless from and against any and all claims, liability, loss, damage, actions or causes of action, costs and expenses (including attorney's fees) arising from or in connection with the presence of any Hazardous Substances in, on or under the Premises except to the extent that Lessee can demonstrate by clear and convincing proof that such Hazardous Substances were present in, on or under the Premises prior to September 1, 1989 or migrated onto or under the Premises from other land after such date. Furthermore, Lessee shall, at Lessee's sole cost and expense, be responsible for the receiving, use, storage, handling, transportation, generation, spillage, migration, discharge, release, and disposition of all Hazardous Substances to the extent any such are used, stored, brought onto, located on or shipped from or within, the Premises in connection with Lessee's occupancy and use thereof, in accordance with all applicable rules, regulations, orders, ordinances, statutes, codes and laws. For purposes of this Lease, "Hazardous Substances" shall include but not be limited to flammable, combustible, explosive, corrosive, caustic, carcinogenic or radioactive matter, petroleum or petroleum related materials and/or substances defined as "hazardous substances", "hazardous materials", "hazardous waste" or "toxic substances" in any federal, state or local laws or regulations adopted or publications promulgated pursuant to said laws



(hereinafter collectively referred to as the "Laws"). Lessee shall, at Lessee's sole cost and expense, comply fully with all requirements of the Laws applicable to Lessee's use of the Premises and obligations contained herein.

**16.2 Cleanup of Hazardous Substances.** In the event of a release, leak, spill, or threatened or actual contamination or deterioration of the Premises or groundwater by a Hazardous Substance, whether the result of an act or omission of Lessee or its agents, employees, contractors, licensees, or invitees or any other third parties, Lessee shall, immediately notify Lessor and all appropriate health, safety and environmental regulatory agencies. Lessee hereby covenants and agrees to implement and complete, at its sole cost and expense, and to the satisfaction of Lessor, all investigation and remediation measures required by such agency or agencies. If Lessee fails to take such action Lessor may, but shall not be obligated to, take such action. In such event, all costs incurred by Lessor with respect to such cleanup activities shall be for the account of Lessee and Lessee shall promptly make reimbursement therefore. Lessee shall not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying the Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assess and protect its interest with respect thereto.

**16.3 Hazardous Substances from Subtenants or Assignees.** Lessee shall bear responsibility for the presence of any Hazardous Substances as a result of subtenant's or assignee's activities, whether before, during or after construction, in or around any part of the Premises or the soil, groundwater or soil vapor on or under the Premises. Upon demand by Lessor, Lessee shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location, which affects the Premises or which is brought or commenced against Lessor, whether alone or together with Lessee or any other person, all at Lessee's own cost and by counsel to be approved by Lessor in the exercise of its reasonable judgment. In the alternative, Lessor may elect to conduct its own defense at the expense of Lessee.

**16.4 Compliance Regarding Hazardous Substances.** Lessee shall comply and cause all occupants of the Premises to comply, with all statutes, codes, regulations, rules, ordinances, orders and other laws governing or applicable to Hazardous Substances as well as the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Premises, Lessee's use of the Premises or of the facilities of the Airport. Lessee acknowledges that the presence of Hazardous Substances may permanently and materially impair the value and use of the Premises.

**16.5 Notice Regarding Hazardous Substances.** Lessee shall promptly notify Lessor if Lessee knows, suspects or believes that there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater or soil vapor on or under the Premises, or that Lessee or the Premises may be subject to any threatened or pending investigation by any governmental agency under any statute, code, regulation, rule, ordinance, order or other law pertaining to any Hazardous Substances.

**16.6 Site Visits, Observations, and Testing.** Lessor and its agents and representatives shall have the right at any reasonable time to enter and visit the Premises to make observations of the Premises, take and remove soil or groundwater samples, and conduct tests. Lessor is under no duty, however, to visit or observe the Premises or to conduct tests. No site visit, observation or testing by Lessor shall result in a waiver of any default of Lessee or impose any liability on Lessor. In no event shall any site visit, observation or testing by Lessor be a representation that Hazardous Substances are or are not present in, on or under the Premises or that there has been

compliance with any statute, code, regulation, rule, ordinance, order or other law pertaining to Hazardous Substances. Neither Lessee nor any other party is entitled to rely on any site visit, observation or testing by Lessor. Lessor shall not be obligated to disclose to Lessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Lessor. In each instance, Lessor shall give Lessee reasonable notice before entering the Premises. Lessor shall make reasonable efforts to avoid interfering with Lessee's use of the Premises in exercising any right provided in this Section.

**16.7 Business Response Plan.** Lessee must prepare and maintain to the satisfaction of the Airport Fire Marshall a "Business Response Plan" in accordance with Section 25500 et seq. of the Health and Safety Code. Said plan must be kept current and on file in the Airport Fire Marshall's office.

**17.0 Assignment and Subletting.**

**17.1 Sublease.** Sublease of rental space, subject to compliance with applicable provisions of the Lease, is authorized.

**17.2 Assignment of Lease.** Without Lessor's prior written consent, Lessee shall not assign, hypothecate, or encumber this Lease, or any interest in this Lease. Lessor's acceptance of any rent or any other payment in the nature of rent from any assignee shall not constitute Lessor's consent to such assignment, a waiver of any provision of this Lease, nor any release of Lessee from the full performance of all Lessee's obligations under this Lease.

**17.3 Request for Consent to Assign.** Should Lessee request Lessor's consent to an assignment of this Lease, Lessee shall submit in writing to Lessor the following: (a) the name and address of the proposed assignee; (b) the terms and conditions of the proposed assignment; (c) the nature and character of the business of the proposed assignee; and (d) banking, financial and other credit information relating to the proposed assignee reasonably sufficient to enable Lessor to determine the proposed assignee's financial responsibility.

**17.4 Payment of Expenses.** Lessee shall pay to Lessor, on demand, all costs incurred by Lessor in connection with extraordinary requirements for reviewing any request for assignment of this Lease, including Lessor's attorney fees.

**17.5 Lessor's Rights With Respect to Assignments.** Lessor shall not unreasonably withhold its consent to the request by Lessee for assignment. Lessee agrees that the consent of Lessor shall not be considered unreasonably withheld by reason of the fact that Lessor requires as a condition of any assignment that the rent be adjusted to the then fair rental value. Such fair rental value shall be determined in the manner set forth in section 6.4 of this Lease. Lessee further agrees that the consent of Lessor shall not be deemed or considered unreasonably withheld if Lessor refuses to consent to an assignment to any person, firm or corporation the operations of which will, in the reasonable business judgment of Lessor, adversely affect the image, tenant mix, or other valuable aspect of Lessor's property or result in excessive noise, traffic or interference with Lessor's operations.

**17.6 Change of Ownership.** Lessee represents that it is a corporation organized and existing under and by virtue of the laws of the State of California and that its majority stockholders are Tony Tollner and the Cox Children's Trust. It is a condition of this Lease that the majority ownership of the shares of stocks with voting privileges shall not be transferred by said principal stockholders without the consent of Lessor in writing first had and obtained, which consent shall not be unreasonably withheld. In the event of any such transfer or change of ownership without such consent of Lessor, Lessor at its option may terminate this Lease. Notwithstanding any other provision of this Lease, said majority stockholders may transfer all or

any portion of their shares in Lessee to any revocable trust created for the benefit of that stockholder that stockholder's spouse or that stockholder's issue.

**18.0 Miscellaneous.**

**18.1 Notices.** Wherever notice is required by the terms of this Lease, notice shall be deemed complete upon personal service of written notice upon the party or parties to whom such notice is given or such notice may be given by prepaid U.S. first-class mail addressed to Lessor at 200 Fred Kane Drive, Suite #200, Monterey, California, 93940 or addressed to Lessee at 2999 Monterey-Salinas Highway, Suite 1, Monterey, California 93940 and such notice shall be deemed complete two (2) days after deposit in the United States mail within the State of California.

**18.2 Possessory Interest Tax.** In the event a possessory interest tax is levied by the appropriate taxing authority of the County of Monterey or the State of California, it is understood that Lessee shall be solely responsible for the payment of such tax.

**18.3 Non-Discrimination.** The Standard Nondiscrimination and Airport Development Provisions For Leases attached hereto as Exhibit "B" are incorporated herein by this reference. Lessee's failure to abide by the requirements set forth therein shall constitute a breach of the terms of this Lease in like manner as if the same were contained herein as covenants and conditions.

**18.4 Time.** Time is of the essence of this Lease and of each and every one of the provisions herein contained.

**18.5 Entire Agreement.** This Lease sets forth all the covenants, agreements and conditions between Lessor and Lessee concerning the Premises and there are no other covenants, promises, agreements, conditions or understandings either oral or written between them. No subsequent alteration, amendment, change or addition to the Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by each of them.

**18.6 Captions.** The headings and titles to the paragraphs of this Lease are not part of this Lease and shall have no effect on the construction or interpretation of any part of this Lease.

**18.7 Applicable Law.** The laws of the State of California shall govern the validity, performance and enforcement of this Lease.

**18.8 Partial Invalidity.** If any term, covenant or condition of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each term, covenant and condition shall be valid and enforced to the fullest extent permitted by law.

**18.9 Tense, Number and Gender.** Each number, tense and gender used in this Lease shall include any other tense, number or gender where the context and the parties hereto or the context and references therein shall require.

**18.10 Negotiated Agreement.** It is acknowledged, agreed and understood by the parties that this Lease and its wording have been arrived at through a process of negotiation between the parties in which each party participated to the fullest extent desired by that party and that neither party is to be deemed the party who prepared this Lease or the party who caused any uncertainty to exist within the meaning of California Civil Code Section 1654.


IN WITNESS WHEREOF, the parties hereto have executed this Lease on the dates below indicated.

**LESSOR:**  
**MONTEREY PENINSULA AIRPORT**  
**DISTRICT**

Dated:

By:   
\_\_\_\_\_  
Matt Nelson

ATTEST:

  
\_\_\_\_\_  
District Secretary

**LESSEE:**  
**RIO RESTAURANTS CORPORATION**

Dated: 10/17/13

By:   
\_\_\_\_\_  
Tony Tollner  
Its: President

Dated:

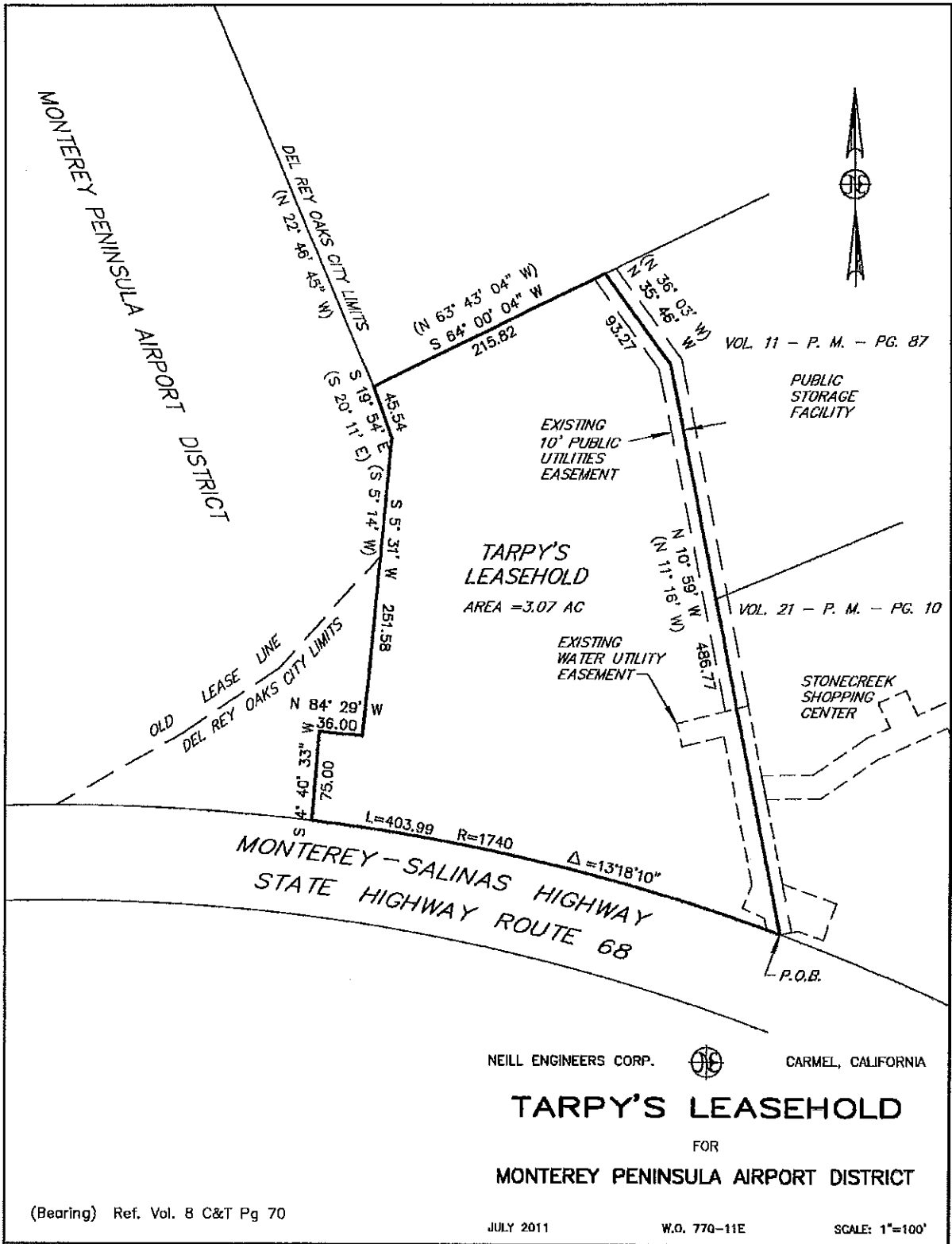
By: \_\_\_\_\_  
Its:

**EXHIBIT "A"**  
**DESCRIPTION OF PREMISES**

Certain real property situate in the City of Del Rey Oaks, Monterey County, California, particularly described as follows:

BEGINNING at the southwest corner of Parcel 3, as said parcel is shown on that certain map entitled "Parcel Map, a Division of Parcel "B", "C" and "D" per Parcel Map Filed in Volume 11 of Parcel Maps at Page 87, Monterey County Records", filed in Volume 21, of Parcel Maps at Page 10, records of Monterey County, California and running thence

- (1) N. 10° 59' W., 486.77 feet; thence
- (2) N. 35° 46' W., 93.27 feet; thence
- (3) S. 64° 00' 04" W., 215.82 feet to a point on the Monterey Peninsula Airport District property boundary, thence
- (4) S. 19° 54' E., 45.54 feet; thence
- (5) S. 5° 31' W., 251.58 feet; thence
- (6) N. 84° 29' W., 36.00 feet; thence
- (7) S. 4° 40' 33" W., 75.00 feet; to a point on the northerly line of State Highway Route 68; and running thence along said northerly line of State Highway Route 68
- (8) 403.99 feet along the arc of a circular curve to the right having a radius of 1740 feet through a central angle of 13° 18' 10" to the POINT OF BEGINNING.



## **EXHIBIT "B"**

### **STANDARD NONDISCRIMINATION AND AIRPORT DEVELOPMENT PROVISIONS FOR LEASES**

1. Lessee for himself/herself/itself and all heirs, personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease to which these Standard Nondiscrimination And Airport Development Provisions For Leases are attached or made a part (hereinafter, the "Lease"), does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in the Lease (the "Premises") for a purpose for which a United States Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. Lessee for himself/herself/itself and all personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (3) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. Lessee for himself/herself/itself and all personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease, does hereby covenant and agree as a covenant running with the land that in the event of breach of any of the above nondiscrimination covenants, Lessor shall have the right to terminate the Lease and to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.
4. Lessee shall furnish all accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
5. Non-compliance with Provision 4 above shall constitute a material breach of the Lease and in the event of such noncompliance Lessor shall have the right to terminate the Lease and the estate thereby created without liability therefore or at the election of

Lessor or the United States either or both said governments shall have the right to judicially enforce these provisions.

6. Lessee agrees that Lessee shall insert the above five provisions in any sublease, lease agreement or other contract by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Premises.
7. Lessee assures that Lessee will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that Lessee will require that Lessee's covered suborganizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effect.
8. Lessor reserves the right to further develop or improve the landing area of the Monterey Peninsula Airport (the "Airport") as Lessor sees fit, regardless of the desires or view of Lessee and without interference or hindrance.
9. Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.
10. The Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States, relative to the development, operation or maintenance of the Airport.
11. There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation of the Airport.
12. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.
13. Lessee by accepting the Lease expressly agrees for himself/herself/itself and all successors and assigns that Lessee will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises above the mean sea level elevation \_\_\_\_\_ feet. In the event the aforesaid covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.
14. Lessee by accepting the Lease expressly agrees for himself/herself/itself and all successors and assigns that Lessee will not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from the Monterey



Peninsula Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).
16. The Lease and all the provisions thereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

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<sup>i</sup> In accordance with Federal Aviation regulations.

**TO:** Monterey Peninsula Airport District Board of Directors  
**FROM:** Thomas E. Greer, General Manager  
**SUBJ:** Revenue Review and Comparison Between Open-Entry Taxi Operations and The Exclusive Taxi Service with Central Coast Cab Company

**BACKGROUND AND STAFF ANALYSIS.** For a number of years, the District had an exclusive agreement with a local taxi company to provide service; other taxi operators could drop-off travelers at the airport, but not pick-up. This exclusive arrangement had triggered a discussion of issues that centered around: 1) taxi availability at the airport, 2) cleanliness of taxi vehicles and taxi drivers, 3) laws and regulatory requirements governing taxi operators, 4) taxi operations and limitations in other jurisdictions, i.e. City of Monterey, City of Carmel, etc., and 5) airport operating revenues.

The District became a member of the Monterey County Regional Taxi Authority (MCRTA) on May 12, 2010, with the adoption of Resolution No. 1519. The Board of Directors directed the General Manager and staff to analyze implementation of an open-entry taxi system and provide courses of action and recommendations.

Staff researched taxi operations at other airports, solicited proposals for: 1) curbside management, and 2) automated vehicle identification (AVI) methods and systems; as well as establishing a dialogue with the MCRTA.

Staff prepared a "Summary of Airport Taxi Systems" and presented to the Board of Directors. The summary listed seven (7) alternatives; two (2) open-entry systems were possible systems that could be implemented.

Staff recommended that the Board accept Alternative No. 7, an Open Entry Taxi Management System with Curbside Management and AVI Technology. The only negative effect of this alternative was the loss of existing concession/rent revenue from the exclusive taxi agreement.

On October 25, 2011, the Board of Directors of the Monterey Peninsula Airport District adopted Resolution No. 1557, A Resolution to Adopt an Open Entry Taxi Management System with Curbside Management and Automated Vehicle Identification Technology at The Monterey Regional Airport.

To facilitate implementation of an open entry taxi management system, the Board of Directors of the District also adopted: 1) Resolution No. 1558, A Resolution Authorizing a Professional Services Agreement with Republic Parking System, Inc., for Commercial Ground Transportation Curbside Management Services, and 2) Resolution No. 1559, A Resolution Authorizing the

General Manager to Enter Into a Contract with Gatekeeper Systems, Inc., for Automated Vehicle Identification Technology.

On February 1, 2012, the Open Entry Taxi Management System (with curbside management and AVI technology) was implemented. The month of February was a trial month; taxi operators purchased airport medallions, but paid no drop-off/pick-up fees. On March 1, 2012, the system was fully operational and compliant with MCRTA and District directives.

**IMPACT ON OPERATIONS.** The system change from the exclusive concession agreement to the current open-entry arrangement has been an operational success. Although every taxi operator requesting to serve the airport by either drop-off, pick-up or both are required to obtain an operating permit, the initial interest was overwhelming as turn-out was higher than forecasted. Cab operators from other companies were given an opportunity to obtain revenue from the airport. This has continued today as cabs are returning to renew their permits.

At the same time, the curbside management company bolstered the customer service experience for our passengers, which admittedly was lacking beforehand. To have a taxi starter, operated by a third party, give unbiased information on cab service reassured the passenger to get to their destination hassle free. The automated vehicle identification (AVI) tracking software provided a solid tracking mechanism for airport surcharge fees and enforcement parameters.

Complaints are virtually non-existent as Airport Operations, Police Department and Republic Parking (Curbside Management) staff have partnered with the cab community to find common ground on issues and needs while adhering to the District's operating rules & regulations.

**IMPACT ON OPERATING REVENUE.** Over the history of the open-entry system at the airport, the number of taxi operators that purchase airport medallions has been above forecasts; taxi trips have been reduced – just as number of commercial airline passengers have been reduced – as airlines have compressed or realigned flight schedules.

The effect of fewer commercial airline passengers is easy to see when you view the “Comparison of Actual Revenue & Expense”; fewer passengers equals fewer taxi trips.

**OPERATING BUDGET IMPACT.** When airline passenger levels dip below 400,000, the expense of the open-entry system (i.e. curbside management contract and Gatekeeper AVI hosting) will slightly exceed the revenues generated by the taxi medallions/taxi trip fees.

The small annual expense that occurs in this situation is more than offset by the goodwill created and customer service provided; this is value added to the customer experience at the airport.

**CAPITAL BUDGET IMPACT.** The hand-held AVI scanners are now three (3) years old; replacement will be necessary in twelve (12) to eighteen (18) months.

**RECOMMENDATION.** Recommend that the Board of Directors accept this review of data (financial and statistical), recognize the positive customer service and affirm the District's commitment to the existing Open Entry Taxi Management System.

**ATTACHMENT(S):**

Exhibit A: Comparison of Actual Revenue & Expense

Agenda Materials – October 25, 2011, Regular Meeting, that include:

- Staff Report with supporting documentation for and Resolution No. 1557,
- Staff Report for and Resolution No. 1558, and
- Staff Report for and Resolution No. 1559

**COMPARISON OF ACTUAL REVENUE & EXPENSE**

	FY 2009	FY 2010	FY 2011	FY 2012 <sup>2</sup>	FY 2013	FY 2014	FY 2015 <sup>5&amp;6</sup>	CUMULATIVE
<b>ENPLANEMENTS</b>	<b>200,322</b>	<b>197,817</b>	<b>186,367</b>	<b>187,450</b>	<b>208,790</b>	<b>200,884</b>	<b>180,658</b>	
<b>DEPLANEMENTS</b>	<b>198,498</b>	<b>196,472</b>	<b>184,813</b>	<b>185,493</b>	<b>206,593</b>	<b>197,483</b>	<b>178,861</b>	
<b>TOTAL PASSENGERS</b>	<b>398,820</b>	<b>394,289</b>	<b>371,180</b>	<b>372,943</b>	<b>415,383</b>	<b>398,367</b>	<b>359,519</b>	
PERCENT INC / (DEC)		-1.1%	-5.9%	0.5%	11.4%	-4.1%	-9.8%	
<b>TAXI TRIPS</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>15,501</b>	<b>49,148</b>	<b>45,102</b>	<b>42,392</b>	
PERCENT INC / (DEC)					N / C	-8.2%	-6.0%	
<b>TAXI - CONC REVENUE</b>	\$ 35,136	\$ 35,136	\$ 30,020	\$ 24,240				
<b>TAXI - RENT REVENUE</b>	\$ 2,988	\$ 3,012	\$ 3,072	\$ 2,074				
<b>TAXI - CONC REVENUE <sup>1</sup></b>	<b>\$ 38,124</b>	<b>\$ 38,148</b>	<b>\$ 33,092</b>	<b>\$ 26,314</b>				
<b>TAXI - REVENUE <sup>3</sup></b>				\$ 54,910	\$ 182,209	\$ 169,369	\$ 119,899	\$ 526,387
<b>TAXI - EXPENSE <sup>4</sup></b>				\$ 52,138	\$ 152,528	\$ 169,576	\$ 132,048	\$ 506,290
<b>TAXI NET INCOME</b>				<b>\$ 2,772</b>	<b>\$ 29,681</b>	<b>\$ (207)</b>	<b>\$ (12,149)</b>	<b>\$ 20,097</b>
<b>TCP - REVENUE</b>				\$ 7,710	\$ 8,220	\$ 8,270	\$ 7,800	\$ 32,000
<b>TCP - EXPENSE</b>				\$ 1,021	\$ 1,083	\$ 1,257	\$ 629	\$ 3,990
<b>TCP NET INCOME</b>				<b>\$ 6,689</b>	<b>\$ 7,137</b>	<b>\$ 7,013</b>	<b>\$ 7,171</b>	<b>\$ 28,010</b>
<b>TAXI / TCP - NET INCOME</b>				<b>\$ 9,461</b>	<b>\$ 36,818</b>	<b>\$ 6,806</b>	<b>\$ (4,978)</b>	<b>\$ 48,107</b>
<b>NET INCOME - TRANSPORT</b>	<b>\$ 38,124</b>	<b>\$ 38,148</b>	<b>\$ 33,092</b>	<b>\$ 35,775</b>	<b>\$ 36,818</b>	<b>\$ 6,806</b>	<b>\$ (4,978)</b>	

<sup>1</sup>Per Agreement between MPAD & Central Coast Cab - minimum concession guarantee

<sup>2</sup>Only 8 months (July - February) for exclusive agreement / 4 months of open-entry taxi service

<sup>3</sup>Taxi Permit & Trip Fees

<sup>4</sup>Taxi / Curbside Management Contract, Gatekeeper Tracking Software Service, Decals & Depreciation

<sup>5</sup>Revenue & Expense - Estimate based on Fiscal Year-to-Date - as of 04/30/2015 - 10 periods

<sup>6</sup>Enplanements - Estimate based on Fiscal Year-to-Date - as of 03/31/2015 - 9 periods

**AGENDA ITEM: G-2**  
**DATE: October 25, 2011**

**DATE:** October 20, 2011  
**TO:** Tom Greer, General Manager  
**FROM:** Ken Griggs, Airport Operations Manager  
**SUBJ:** Resolution No. 1557, a Resolution adopting an Open Entry Taxi Management System with Curbside Management and Automated Vehicle Identification Technology

**BACKGROUND.** On May 12, 2010, the District became a member of the Regional Taxi Authority (RTA) with its adoption of Resolution No. 1519. The Board directed Staff to evaluate the feasibility of replacing the airport's exclusive taxicab concession system with a region-wide, open-entry taxi system to conform to the recommendations made by the RTA.

Staff analyzed open entry taxi management systems used by airports. At the Regular Meeting on September 8, 2010 and the Special Meeting on September 29, 2010, Staff presented its findings in Exhibit "A", a comparison of 6 forms of open entry taxi systems and the existing exclusive system. If the Board decided to adopt an open entry system, Staff recommended Alternative #7, an open entry taxi management system with curbside management (i.e., a "taxi starter" to manage taxi operations) and Automated Vehicle Identification (AVI) technology to track vehicles and record data to be used for several purposes including invoicing users. In its research and consultation with airports, Staff learned that open entry "honor" systems do not work! Although taxi companies professed their willingness to cooperate and their ability to self regulate airport taxi operations, in reality many cabs competing for the airports' customers produced significant management headaches and unreliable customer service. The airports either returned to their exclusive taxi arrangements or they added curbside management and some form of AVI technology. The airport operators opined that open entry taxi operations must be controlled to operate effectively.

Staff conducted a feasibility analysis of the potential revenues from airport taxi operations, the costs of curbside management, and the capital investment required for AVI technology. Parking lot management companies have demonstrated expertise in airport curbside management, so Staff obtained estimates from Republic Parking Systems and others. The costs of AVI technology depend upon the sophistication of the AVI equipment, related software, and the physical installation if applicable. Staff recommended handheld readers and associated software, an effective and less expensive solution.

Staff presented its recommendations to Board at the Regular Meeting on March 9, 2011. The minutes of the meeting reflect that, "Director Nelson moved approval of Option #7 with the caveat that staff look closely at the numbers to make them more affordable for the taxi drivers if possible. Director Miller seconded the motion. The motion passed unanimously." The Board directed Director Leffel, the Board's RTA representative, to present Alternative #7 to the RTA and to explore cost sharing options. You and I presented Alternative #7 to the RTA Board at its Regular Board Meeting on June 27, 2011.

In June 2011, Staff applied to the Monterey Bay Unified Air Pollution Control District for an emissions reduction grant to offset some of the open entry start-up costs for Alternative #7, but was not awarded the grant.

On August 1, 2011, Staff published a Request for Qualifications and Proposal for Commercial Ground Transportation Management Systems and received two qualified bids. Staff concluded Republic Parking Systems, Inc. was the lowest responsible bidder. It provided an acceptable operational plan to implement an open-entry ground transportation system at MRY.

At the Special Meeting of the Board on September 28, 2011, the Board directed Staff to research "Hybrid" Open-Entry Taxi Management Systems to reduce or eliminate operating and capital costs. To complete its analyses and recommendations to the board, Staff has:

1. Completed extensive research to find any conceivable alternatives in addition to the seven airport industry standard systems previously presented to the Board.
2. Evaluated two "Hybrid" Open-Entry" proposals that it received, namely:
  - a. An 11-page letter dated September 1, 2011 addressed to General Manager Greer from Duane Gida, owner of Central Coast Cab Company, and
  - b. A 5-page proposal received in early October from Director Sabo entitled, "Airport Taxi Open Access Implementation Plan Alternative".

(We appreciate the efforts and analysis made by Mr. Gida and Director Sabo.)

3. Thoroughly reviewed Alternative #7, verified all revenue assumptions, quantified the costs of curbside management, and refined the acquisition and operating costs with AVI technology vendors.

**CONCLUSION:** Staff recommends the Board adopt an Open Entry Taxi Management System with curbside management and AVI technology, presented as Alternative No. 7, and adopt Resolutions 1557, 1558 and 1559 for implementation.

Staff's analysis with assumptions is provided in Exhibit B that includes the "Pros" and "Cons" of Alternative #7. The analysis projects for year 1:

Operating Revenue Projections	\$171,920
Operating Expense Projections:	<u>150,024</u>
Operating Income:	<u>\$ 21,896</u>
Capital Investment	<u>\$ 57,600</u>
Payback of investment	2.6 years
Internal Rate of Return (IRR)	15%

Operating Income is less than the annual income of \$39,000 received under the current Exclusive Taxi System in years prior to FY11. The TCP contract implemented this fiscal year will offset approximately \$7,000 of this variance.

Changing from an exclusive taxi agreement to an open entry taxi system can only be accomplished effectively by including curbside management supported by AVI technology. The taxi starter will control all public conveyance vehicles serving the airport and will act as an airport curbside ambassador. AVI technology will capture vehicle tracking data (information we have never had) and remit trip charges in the form of an invoice. It offers the opportunity to improve customer service to our travelers.

If the District's experience after one or more years of operating Alternative #7 is deemed unsatisfactory, it could revert to Alternative #1. An exclusive agreement is permitted by the RTA agreement. The contracts with Republic Parking Systems and GateKeeper Systems may be cancelled without penalty after one year by providing 30 days written notice.

**SOURCE OF FUNDS.** Programmed in the District FY 2012 Budget.

**IMPACT ON REVENUES.** The exact impact on operating revenue is unknown.

**SCHEDULE.** The Open Entry System would be implemented on or soon after February 1, 2012.

**IMPACT ON OPERATIONS.** The Open Entry System should efficiently manage ground transportation operators, improve customer service, and provide tracking data for analysis of all ground transportation.

**CONTINGENCY.** N/A

**REFERENCE TO STRATEGIC PLAN.** Improves Customer Relations (Strategic Elements 3.0) and Public/Community Relations (Strategic Element 6.0)

**RECOMMENDATION.** Adopt Resolution No. 1557 to implement an Open Entry Taxi Management System with Curbside Management and Automated Vehicle Identification Technology.



**RESOLUTION NO. 1557**

**A RESOLUTION TO ADOPT AN OPEN ENTRY TAXI MANAGEMENT SYSTEM WITH CURBSIDE MANAGEMENT AND AUTOMATED VEHICLE IDENTIFICATION TECHNOLOGY AT THE MONTEREY REGIONAL AIRPORT**

**WHEREAS**, the Monterey Peninsula Airport District (MPAD) became a member of the Regional Taxi Authority on May 12, 2010 with the passing of Resolution No.1519, and

**WHEREAS**, Section 3, subsection (m) of the Monterey Peninsula Airport District Act grants the Monterey Peninsula Airport District ("MPAD") the power to "possess and exercise all powers necessary and appropriate to a public airport district that are not prohibited by the California Constitution;" and

**WHEREAS**, the ability to adopt an open entry ground transportation system is included within such power; and

**WHEREAS**, Addendum 1 of the Monterey County Regional Taxi Authority Joint Powers Agreement allowed the airport the opportunity to research airport industry taxi open-entry management systems; and

**WHEREAS**, the Board of Directors and staff have determined there is a need to effectively manage taxi operations; engage in a fair operating schedule for all drivers who purchase a medallion; to work in unison with Airport Staff and the Regional Taxi Authority; and provide excellent customer service to the traveling public; and

**WHEREAS**, the Board of Directors and staff have evaluated the replacement of its exclusive taxicab concession agreement with one of seven standard airport industry taxi management systems, and non-standard hybrid plans; and

**WHEREAS**, the Board of Directors has made findings that an open entry taxi management system with curbside management and Automated Vehicle Identification (AVI) technology is the only viable alternative because it is not based on subjectivity, has the potential to become profitable, and will improve customer service to travelers.

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** that MPAD hereby adopts an open entry taxi management system with curbside management and Automated Vehicle Identification (AVI) technology at the Monterey Regional Airport. Chairman is authorized to execute any and all agreements that may be necessary to effectuate such system.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 25th day of October 2011, by the following roll call vote:

<b>AYES:</b>	<b>DIRECTORS:</b>	Leffel, Miller, Nelson, Chair Searle
<b>NOES:</b>	<b>DIRECTORS:</b>	None
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>	Sabo
<b>ABSENT:</b>	<b>DIRECTORS:</b>	None

Signed this 25<sup>th</sup> day of October 2011

*Richard D. Searle*

Richard D. Searle, Chairman

ATTEST

*Charles R. Hayes*

Charles R. Hayes

**EXHIBIT A**  
**SUMMARY OF AIRPORT TAXI SYSTEMS**

Alternative #	Type of System	Type of Management			One Time Capital Investment	Practical/ Impractical	Comments	Feasible?
			Cost - Taxi Starter	Operating Costs				
1	Exclusive	Honor (No curbside control) (No Technology)	n/a	n/a	n/a	Works Well	One taxi company can enforce airport's rules; Most small airports use this system.	Yes
2	Unlimited Open Entry (No cab cap)	Honor (No curbside control) (No Technology)	n/a	n/a	n/a	Does not work	Honor systems fails w > 1 taxi co; Taxi Starter needed to control curb.	No
3	Limited Open Entry (Limited amount of cabs)	Honor (No curbside control) (No Technology)	n/a	n/a	n/a	Does not work	Honor systems fails w > 1 taxi co; Taxi Starter needed to control curb.	No
4	Unlimited Open Entry (No cab cap)	Controlled (Curbside Control by Taxi Starter) (No Technology)	\$123,924	n/a	n/a	Could work	Tracking burdensome for starter without AVI Technology. Risk of revenue loss.	Possible
5	Limited Open Entry (Limited amount of cabs)	Controlled (Curbside Control by Taxi Starter) (No Technology)	\$123,924	n/a	n/a	Does not work	Tracking burdensome for starter without AVI Technology. Risk of revenue loss. Medallion revenue would decrease.	No
6	Limited Open Entry Cabs & TCPs	Controlled AVI - Full Infrastructure (Curbside Control by Taxi Starter) (Full Technology)	\$123,924	\$26,100	\$213,000 Gantry System (permanent)	Cost prohibitive	Used by airports >750K enplanements; <b>too costly for small airports due to low volume.</b> Eagle County - Vail and Aspen are exceptions. (Eagle County would not install if decision to install were made today.)	No
7	Unlimited Open Entry Cabs & TCPs	Controlled AVI - Limited (Curbside Control by Taxi Starter) (Ltd Technology - Handheld Readers)	\$123,924	\$26,100	\$57,600	Could work	Loss of revenue for Year 1 expected, due to capital costs. No accurate data available to est. # of TCP vehicles and taxi trips to help offset cost recovery of capital investment. Could be profitable beginning Year 2.	Possible

## STAFF RECOMMENDATION - Exhibit B

**THESIS:** MPAD will terminate its current month-to-month concession agreement with Central Coast Taxi; under provisions of the RTA agreement open access to all taxi operators that:

1. are registered/licensed through the RTA,
2. have purchased an annual airport medallion, and
3. pay the required drop-off & pick-up fees

### OPERATING REVENUE PROJECTIONS:

Airport Medallion Revenue (Annual) - 80 cabs @ \$250 ea:	\$20,000.00
Airport Drop-Off Fee Revenue (Annual) - 70 per day @ \$3.00:	\$75,960.00
Airport Pick-Up Fee Revenue (Annual) - 70 per day @ \$3.00:	\$75,960.00
	<u>\$171,920.00</u>

### OPERATING EXPENSE PROJECTIONS:

Contract (Annual) for Taxi Starter/Curb-Side Management:	\$123,924.00
Commercial Vehicle Management Software (Annual):	\$26,100.00
	<u>\$150,024.00</u>

Projected Annual Operating Income (from Taxis/Open Access): \$21,896.00

### CAPITAL EXPENSE PROJECTIONS:

Hand-held AVI Scanners (2 ea) w/Equipment & Set-Up: \$57,600.00

Payback (based on annual projected operating income above): 2.6 years

Internal Rate of Return (IRR): 15%

### PROs:

1. Creates "Open Access"
2. Taxi Starter -- increased customer service/acts as "ambassador"
3. Taxi Starter -- liaison with airlines/calls cabs/ controls curb
4. Provides commitment to positive public relations/business partnerships
5. Collects data (that is currently not available or inaccurate)
6. Operating revenues exceed operating expenses
7. There is a positive ROI

### CONS:

1. Does not recover the concession revenue that will be lost (\$39,000)

**MONTEREY PENINSULA AIRPORT DISTRICT**

<b>FISCAL YEAR</b>	<b>ENPLANEMENTS</b>	<b>DEPLANEMENTS</b>	<b>TOTAL AIRLINE PASSENGERS</b>	<b>FY to FY AIRLINE PASSENGER INCREASE / DECREASE</b>	<b>MONTHLY TAXI CONCESSION MINIMUM</b>	<b>ANNUAL TAXI CONCESSION MINIMUM</b>	<b>CPI</b>
2000	245,992	244,812	490,804			AT \$20,740	
2001	232,427	234,947	467,374	-4.8%		AT \$22,493	
2002	187,403	188,147	375,550	-19.6%		CT \$22,493	
2003	186,196	186,951	373,147	-0.6%	\$2,500	CT \$33,374	
2004	187,698	187,408	375,106	0.5%	\$2,556	CT \$33,322	2.2%
2005	188,187	188,675	376,862	0.5%	\$2,556	CT \$30,672	
2006	209,585	209,249	418,834	11.1%	\$2,623	CC \$31,476	2.6%
2007	205,576	202,680	408,256	-2.5%	\$2,754	CC \$33,048	3.2%
2008	228,279	223,714	451,993	10.7%	\$2,845	CC \$34,140	3.3%
2009	200,322	198,498	398,820	-11.8%	\$2,928	CC \$35,136	2.9%
2010	197,817	196,469	394,286	-1.1%	\$2,951	CC \$35,412	0.8%
2011	186,367	184,703	371,070	-5.9%	\$3,002	CC \$28,519	<sup>1</sup> 1.7%
2012					\$3,086	CC \$37,032	<sup>2</sup> 2.8%
							<u><u>17.3%</u></u>

<sup>1</sup>Only paid 1/2 (\$1,501.00) - February - June 2011  
 FY11 Annual should have been \$36,024

<sup>2</sup>Based on a full-year FY12 for comparison

AT = Airport Taxi  
 CT / CC = Carmel Taxi aka Central Coast Taxi

-9.1% **5 yr comparison (2011 v 2007)**  
 -1.5% **7 yr comparison (2011 v 2005)**  
 -1.2% **10 yr comparison (2011 v 2002)**  
 -24.4% **12 yr comparison (2011 v 2000)**

**Analysis A: Taxi operators will pay a drop-off fee, a pick-up fee and an annual medallion fee**

**THESIS: Central Coast Taxi has reported between 1,400 & 1,800 trips per month at the airport in recent months**

using a standard 30-day month:

annual average pick-ups	monthly average pick-ups		daily average pick-ups
16,800	1,400	30	47
21,600	1,800	30	60
25,000	2,083	30	70
28,800	2,400	30	80

pick-up fee		
\$2.00	\$2.50	\$3.00
daily average revenue to airport		
\$93.00	\$117.00	\$140.00
\$120.00	\$150.00	\$180.00
\$140.00	\$175.00	\$210.00
\$160.00	\$200.00	\$240.00

30-day monthly (@ 1,400 pick-ups)	\$2,800.00	\$3,500.00	\$4,200.00
30-day monthly (@ 1,800 pick-ups)	\$3,600.00	\$4,500.00	\$5,400.00
30-day monthly (@ 2,083 pick-ups)	\$4,167.00	\$5,208.00	\$6,250.00
30-day monthly (@ 2,400 pick-ups)	\$4,800.00	\$6,000.00	\$7,200.00

annual (@ 16,800 pick-ups)	\$33,600.00	\$42,000.00	\$50,400.00
annual (@ 21,600 pick-ups)	\$43,200.00	\$54,000.00	\$64,800.00
annual (@ 25,000 pick-ups)	\$50,004.00	\$62,496.00	\$75,000.00
annual (@ 28,800 pick-ups)	\$57,600.00	\$72,000.00	\$86,400.00

using a standard 30-day month:

annual average pick-ups	monthly average pick-ups		daily average
16,800	1,400	30	47
21,600	1,800	30	60
25,000	2,083	30	70
28,800	2,400	30	80

drop-off fee		
\$2.00	\$2.50	\$3.00
daily average revenue to airport		
\$93.00	\$117.00	\$140.00
\$120.00	\$150.00	\$180.00
\$140.00	\$175.00	\$210.00
\$160.00	\$200.00	\$240.00

30-day monthly (@ 1,400 drop-offs)	\$2,800.00	\$3,500.00	\$4,200.00
30-day monthly (@ 1,800 drop-offs)	\$3,600.00	\$4,500.00	\$5,400.00
30-day monthly (@ 2,083 drop-offs)	\$4,167.00	\$5,208.00	\$6,250.00
30-day monthly (@ 2,400 drop-offs)	\$4,800.00	\$6,000.00	\$7,200.00

annual (@ 16,800 drop-offs)	\$33,600.00	\$42,000.00	\$50,400.00
annual (@ 21,600 drop-offs)	\$43,200.00	\$54,000.00	\$64,800.00
annual (@ 25,000 drop-offs)	\$50,004.00	\$62,496.00	\$75,000.00
annual (@ 28,800 drop-offs)	\$57,600.00	\$72,000.00	\$86,400.00

**THESIS: All cabs that service airport will be required to purchase an airport service medallion**

		annual medallion fee		
		\$150.00	\$200.00	\$250.00
number of cabs that purchase medallions:	50	\$7,500.00	\$10,000.00	\$12,500.00
	60	\$9,000.00	\$12,000.00	\$15,000.00
	70	\$10,500.00	\$14,000.00	\$17,500.00
	80	\$12,000.00	\$16,000.00	\$20,000.00
	90	\$13,500.00	\$18,000.00	\$22,500.00
	100	\$15,000.00	\$20,000.00	\$25,000.00

annualized overall low (w/\$2.00 fees) & 50 medallions (\$150)	\$74,700.00
annualized overall medium (w/\$2.50 fees) & 80 medallions (\$200)	\$132,496.00
annualized overall high (w/\$3.00 fees) & 100 medallions (\$250)	\$197,800.00

**Analysis B: Taxi operators will pay a drop-off fee, a pick-up fee and an annual medallion fee**

**THESIS: Under open access system operators will average current airline schedule at the airport**

	<b>70</b> trips per day		
	<b>pick-up fee</b>		
	<b>\$2.00</b>	<b>\$2.50</b>	<b>\$3.00</b>
	<b>daily average revenue to airport</b>		
<b>daily average pick-ups</b>	<b>70</b>	\$141.00	\$176.00
	\$4,230.00	\$5,280.00	\$6,330.00
30-day monthly average			
annualized average	\$50,760.00	\$63,360.00	\$75,960.00

	<b>drop-off fee</b>		
	<b>\$2.00</b>	<b>\$2.50</b>	<b>\$3.00</b>
	<b>daily average revenue to airport</b>		
<b>daily average drop-offs</b>	<b>70</b>	\$141.00	\$176.00
	\$4,230.00	\$5,280.00	\$6,330.00
30-day monthly average			
annualized average	\$50,760.00	\$63,360.00	\$75,960.00

**THESIS: All cabs that service airport will be required to purchase an airport service medallion**

		<b>annual medallion fee</b>		
		<b>\$150.00</b>	<b>\$200.00</b>	<b>\$250.00</b>
<b>number of cabs that purchase medallions:</b>	<b>50</b>	\$7,500.00	\$10,000.00	\$12,500.00
	<b>60</b>	\$9,000.00	\$12,000.00	\$15,000.00
	<b>70</b>	\$10,500.00	\$14,000.00	\$17,500.00
	<b>80</b>	\$12,000.00	\$16,000.00	\$20,000.00
	<b>90</b>	\$13,500.00	\$18,000.00	\$22,500.00
	<b>100</b>	\$15,000.00	\$20,000.00	\$25,000.00

annualized average low (w/\$2.00 fees) & 50 medallions (\$150)	\$109,020.00
annualized average medium (w/\$2.50 fees) & 80 medallions (\$200)	\$142,720.00
annualized average high (w/\$3.00 fees) & 100 medallions (\$250)	\$176,920.00



**FY 2012 FLIGHT SCHEDULE - ARRIVALS<sup>1</sup>**

**United Express:**

FL5433	27	SFO
FL6290	50	LAX
FL5315	27	SFO
FL5314	27	SFO
FL6432	27	SFO
FL6288	50	LAX
FL6412	66	DEN
FL5606	27	SFO
FL6292	50	LAX
FL5365	27	SFO
	<u><b>378</b></u>	

**American Eagle:**

FL3067	44	LAX
FL3066	44	LAX
FL3027	44	LAX
	<u><b>132</b></u>	

**U S Airways Express:**

FL2777	50	PHX
FL2783	50	PHX
	<u><b>100</b></u>	

**Daily seats in the market<sup>1</sup>:** **610**

**Avg Load Factor:** 77%

**Avg Daily Deplanements:** 470

**Avg Taxi Factor:** 15%

**Avg Daily Taxi Pick-Ups:** 70

<sup>1</sup>To facilitate average daily calculations, the effect of 2 weekly Allegiant flights ignored

<b>CASH FLOWS</b>	<b>YR 1</b>	<b>YR 2</b>	<b>YR 3</b>
Op Income	\$171,920.00	\$171,920.00	\$171,920.00
Capital Outlay	-\$57,600.00		
Op Expense - Software	-\$26,100.00	-\$26,100.00	-\$26,100.00
Op Expense - Curb Mgmt	-\$123,924.00	-\$123,924.00	-\$123,924.00
<b>Net Cash Flows</b>	<b>-\$35,704.00</b>	<b>\$21,896.00</b>	<b>\$21,896.00</b>

**IRR: 15%**

**MIRR: 11%**



# MEMO

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Monterey Peninsula Airport District

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**To: Board of Directors**

**From: Tom Greer**

**Subject: Staff Analysis of Taxi Alternatives**

**Date: October 24, 2011**

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Attached please find the staff analysis of two alternative proposals to staff's recommendation for an "open entry system" for taxi operations at the airport. This is in response to Board direction at your last meeting to "explore other alternatives including hybrid systems to avoid the cost of a taxi starter".

Both the Board and staff have spent an inordinate amount of time since the decision was made to go to an "open entry system" looking at how to make it work and what the pitfalls and advantages are to such a system. Some Board Members have even taken it upon themselves to call vendors and cab operators.

The attached analysis was to be distributed at the meeting Tuesday. However, Director Sabo felt that it should be distributed before the meeting. The Board has directed staff to propose a way to open the airport to all RTA approved cabs and the conclusion is still to do so with a curbside management system and hand held AVI device.

**DATE:** October 20, 2011  
**TO:** Tom Greer, General Manager  
**FROM:** Ken Griggs, Airport Operations Manager,  
**SUBJ:** Resolution No. 1558, a Resolution to Award a Contract to Republic Parking System Inc., for Commercial Ground Transportation Curbside Management Services

**BACKGROUND.** At the Regular Meeting on September 8, 2010 and the Special Meeting on September 29, 2010 that included a "Taxi Workshop", Staff presented its findings, a comparison of six forms of open entry taxi systems and the existing exclusive system. Direction to staff was to further explore taxi system Alternative #7 (a "controlled" open-entry taxi management system with curbside management & AVI Technology).

On the Regular Meeting on March 9<sup>th</sup>, 2011, Staff presented an in-depth cost analysis of taxi management system Alternative #7. It included a quote for curbside management from Republic Parking Systems, Inc. that performs similar services at other airports across the United States.

On August 1, 2011, Staff published a Request for Qualifications and Proposal (RFP/Q) for Commercial Ground Transportation Management Systems. Two qualified bids were received. Staff concluded Republic Parking Systems, Inc. is the lowest responsible bidder. The bid included an acceptable operational plan to implement a controlled open-entry system.

Republic Parking Systems, Inc. is tasked with effectively managing taxi operations; establishing a fair operating schedule for all drivers who purchase a medallion; imposing adequate rules & regulations; working in unison with Airport Staff and the Regional Taxi Authority, and providing excellent customer service to the traveling public.

The contract is for three years with an option for an additional two years, at an annual cost of \$123,924. The Airport has the right to cancel the contract with a 30 day notice at any time.

**SOURCE OF FUNDS.** These services are programmed in the adopted District FY 2012 Budget.

**IMPACT ON REVENUES.** None.

**SCHEDULE.** The contract for professional services is anticipated to begin early in 2012.

**IMPACT ON OPERATIONS.** Airport Staff and Republic Parking Systems, Inc. will finalize Open-Entry Rules & Regulations for Commercial Transportation and will submit them to the Board for adoption.

**CONTINGENCY.** Adoption of Resolution No. 1557

**RECOMMENDATION.** Adopt Resolution No. 1558, a Resolution to Award a Contract to Republic Parking System Inc., for Commercial Ground Transportation Curbside Management Services to award a contract with Republic Parking System Inc.

**RESOLUTION NO. 1558**

**A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES  
AGREEMENT WITH REPUBLIC PARKING SYSTEM INC., FOR COMMERCIAL GROUND  
TRANSPORTATION CURBSIDE MANAGEMENT SERVICES**

**WHEREAS**, the Monterey Peninsula Airport District (MPAD) became a member of the Regional Taxi Authority on May 12, 2010 with the adoption of Resolution No. 1519,

**WHEREAS**, Addendum 1 of the Monterey County Regional Taxi Authority Joint Powers Agreement allowed the airport the opportunity to research airport industry taxi open-entry management systems,

**WHEREAS**, staff recommended a controlled, open entry taxi management system with curbside management by a third-party neutral curbside management company to preserve a high level of customer service and queuing controls at the terminal and remote holding lot,

**WHEREAS**, the Board adopted Resolution No. 1549 approving the FY2012 Operating & Capital Budget, which includes operating expenditures for curbside management services,

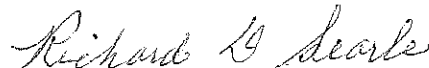
**WHEREAS**, MPAD issued a RFQ/P and Republic Parking Systems was the lowest responsible bidder,

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** That MPAD enter into contract with Republic Parking Systems, Inc. in the annual amount of \$123,924, to manage the commercial open-entry ground transportation program at the Monterey Regional Airport; and that the Chairman is authorized and directed to execute same on behalf of the District.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 25th day of October 2011, by the following roll call vote:

<b>AYES:</b>	<b>DIRECTORS:</b>	Leffel, Nelson, Chair Searle
<b>NOES:</b>	<b>DIRECTORS:</b>	Sabo
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>	Miller
<b>ABSENT:</b>	<b>DIRECTORS:</b>	None

Signed this 25<sup>th</sup> day of October 2011



Richard D. Searle, Chairman

ATTEST



Charles R. Hayes  
District Secretary

**AGENDA ITEM: G-4**  
**DATE: October 25, 2011**

**DATE:** October 20, 2011  
**TO:** Tom Greer, General Manager  
**FROM:** Ken Griggs, Airport Operations Manager,  
**SUBJ:** Resolution No. 1559 A Resolution Authorizing the General Manager to enter into a contract with GateKeeper Systems, Inc. for Automated Vehicle Identification Technology

**BACKGROUND.** At the Regular Meeting on September 8, 2010 and the Special Meeting on September 29, 2010 that included a "Taxi Workshop", Staff presented its findings, a comparison of six forms of open entry taxi systems and the existing exclusive system. Direction to staff was to further explore taxi system Alternative #7, a "controlled" open-entry taxi management system with curbside management & AVI technology.

On the Regular Meeting on March 9<sup>th</sup>, 2011, Staff presented an in-depth cost analysis of taxi management system Alternative #7 and addressed the functionality of AVI technology. Several AVI systems are operated by TransCore, an airport industry-wide recognized RFID company. A quote was obtained for a limited AVI system specifically for MRY.

TransCore provides AVI hardware components, e.g. the handheld scanners. It partners with GateKeeper Systems, Inc. (GateKeeper), a software management company that manages the Commercial Vehicle Management System (CVMS). This is a hardware interoperability system that collects information in several airport specific databases for vehicle tracking. As the overwhelming majority of services will be provided by GateKeeper, both vendors agreed GateKeeper should be the primary contracting entity.

The contract with GateKeeper would be for three years; however the Airport may terminate the agreement after 12 months without penalties.

Operating contract: \$26,100 annually  
One-time capital costs: \$57,600

**SOURCE OF FUNDS.** These operating services and capital acquisitions are programmed in the adopted District FY 2012 Budget.

**IMPACT ON REVENUES.** None.

**SCHEDULE.** The proposed contract for professional services is anticipated to begin early 2012.

**IMPACT ON OPERATIONS.** None.

**CONTINGENCY.** Adoption of Resolution Nos. 1557 and 1558

**RECOMMENDATION.** Resolution No. 1559, a Resolution Authorizing the General Manager to enter into a contract with GateKeeper Systems, Inc. for Automated Vehicle Identification Technology.

**RESOLUTION NO. 1559**

**A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO  
ENTER INTO A CONTRACT WITH GATEKEEPER SYSTEMS, INC. FOR  
AUTOMATED VEHICLE IDENTIFICATION TECHNOLOGY**

**WHEREAS**, the Monterey Peninsula Airport District (MPAD) became a member of the Regional Taxi Authority on May 12, 2010 with the passing of Resolution No.1519,

**WHEREAS**, Addendum 1 of the Monterey County Regional Taxi Authority Joint Powers Agreement allowed the airport the opportunity to research airport industry taxi open-entry management systems,

**WHEREAS**, staff recommended a controlled, open entry taxi management system that assigns an offsite software management company to manage vehicle tracking and accounts receivable databases and the capital acquisition of handheld Automated Vehicle Identification (AVI) technology to be operated by the commercial ground transportation management company,

**WHEREAS**, the Board adopted Resolution No.1549 approving the FY2012 Operating & Capital Budget, which includes capital and operating expenditures for AVI Technology and Software Management System,

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** That MPAD enter into a contract with GateKeeper Systems, Inc. in the annual amount of \$26,100 for operating system support costs and the one-time capital acquisition and associated start-up costs for AVI technology of \$57,600; and that the Chairman is authorized and directed to execute same on behalf of the District.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 25th day of October 2011, by the following roll call vote:

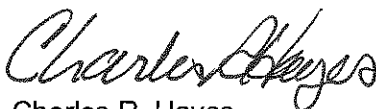
<b>AYES:</b>	<b>DIRECTORS:</b>	Leffel, Miller, Nelson, Sabo, Chair Searle
<b>NOES:</b>	<b>DIRECTORS:</b>	None
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>	None
<b>ABSENT:</b>	<b>DIRECTORS:</b>	None

Signed this 25<sup>th</sup> day of October 2011



Richard D. Searle, Chairman

ATTEST



Charles R. Hayes  
District Secretary

**AGENDA ITEM:** G-4  
**DATE:** May 13, 2015

**TO:** Monterey Peninsula Airport District Board of Directors  
**FROM:** Thomas E. Greer, General Manager  
**SUBJ:** Resolution No. 1638, A Resolution to Withdraw From The Agreement For The Joint Exercise of Powers to Operate and Maintain a Regional Incident Support Vehicle

**BACKGROUND AND STAFF ANALYSIS.** When the Monterey Peninsula Airport District manned and operated its own ARFF/Fire Department, the District was party to an "Agreement For The Joint Exercise of Powers to Operate and Maintain a Regional Incident Support Vehicle". The agreement was effective on December 1, 2009, and contains (in Article III) provisions for automatic one (1) year extensions with no sunset clause or defined termination date.

The Regional Incident Support Vehicle (RISV) responds to large fire incidents to provide on-site air compressor support (to refill SCBA bottles), personnel rehabilitation equipment and supplies, and high-intensity flood lighting.

The City of Monterey, under contract, provides ARFF/Fire Services to the District. The City of Monterey is also a party to RISV agreement.

The District's continued participation in the agreement is not warranted.

**IMPACT ON OPERATIONS.** None

**IMPACT ON OPERATING REVENUE.** None

**OPERATING BUDGET IMPACT.** Reduce the annual operating expense of ARFF/Fire Services by \$454 plus any special assessments levied by the joint powers agreement.

**CAPITAL BUDGET IMPACT.** None

**RECOMMENDATION.** Recommend that the Board adopt Resolution No. 1638, A Resolution to Withdraw From The Agreement For The Joint Exercise of Powers to Operate and Maintain a Regional Incident Support Vehicle.

**ATTACHMENT:** Agreement For The Joint Exercise of Powers to Operate and Maintain a Regional Incident Support Vehicle



**RESOLUTION NO. 1638**

**A RESOLUTION TO WITHDRAW FROM THE AGREEMENT FOR THE JOINT EXERCISE OF POWERS TO OPERATE AND MAINTAIN A REGIONAL INCIDENT SUPPORT VEHICLE**

**WHEREAS**, The Monterey Peninsula Airport District has been a party to the “Agreement for the Joint Exercise of Powers to Operate and Maintain a Regional Incident Support Vehicle” (hereinafter “Agreement”) since the inception of the Agreement on December 1, 2009; and

**WHEREAS**, The Monterey Peninsula Airport District has not had an opportunity to use the Regional Incident Support Vehicle in several years; and

**WHEREAS**, Section 3.3 of the Agreement allows for a Party to the Agreement to withdraw from the Agreement; and

**WHEREAS**, The Monterey Peninsula Airport District contracts with the City of Monterey for the provision of fire services and thereby has alternatives for receiving the services provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT**, That the Monterey Peninsula Airport District exercises its option to withdraw from the “Agreement for the Joint Exercise of Powers to Operate and Maintain a Regional Incident Support Vehicle” effective as immediately as prescribed (sixty (60) days following June 30<sup>th</sup>, which immediately follows the date of notice, in this instance August 29, 2015) in Section 3.3 of the Agreement.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 13<sup>th</sup> day of May, 2015, by the following roll call vote:

<b>AYES:</b>	<b>DIRECTORS:</b>
<b>NOES:</b>	<b>DIRECTORS:</b>
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>
<b>ABSENT:</b>	<b>DIRECTORS:</b>

Signed this 13<sup>th</sup> day of May, 2015

William J. Sabo, Chair

ATTEST

Tonja Posey, Board Secretary

9621

**AGREEMENT FOR THE JOINT EXERCISE OF POWERS  
TO OPERATE AND MAINTAIN A  
REGIONAL INCIDENT SUPPORT VEHICLE**

**THIS AGREEMENT** is made and entered into this first day of December 2009, by and between the Salinas Rural Fire District ("DISTRICT"), a political subdivision of the State of California, and the following cities, fire districts, and other Agencies, hereinafter jointly referred to individually as ("PARTY") and collectively as ("PARTIES"):

- City of Marina
- City of Monterey
- City of Salinas
- City of Seaside
- City of Soledad
- Aromas Tri-County Fire Protection District
- Carmel Highlands Fire Protection District
- Carmel Valley Fire Protection District
- Cypress Fire Protection District
- Monterey Peninsula Airport District
- North Monterey County Fire Protection District
- Pebble Beach Community Service District
- Spreckels Community Services District

**RECITALS**

**WHEREAS**, the "DISTRICT" and "PARTIES" will be collectively referred to as "AGENCIES."

**WHEREAS**, the "DISTRICT" has recently purchased a Regional Incident Support Vehicle (RISV), described as a 2009 Navistar commercial diesel truck cab and chassis with a Hi-Tech Fire Apparatus, Inc. custom body containing a PTO-powered breathing air compressor, high-intensity flood lighting, and personnel rehabilitation equipment and supplies; and

**WHEREAS**, it is to the mutual advantage of the "AGENCIES" to equip, operate and maintain this RISV apparatus cooperatively as a regional public safety resource; and

**WHEREAS**, the capabilities and services provided by this RISV are essential to safe and effective emergency incident operations for all of the "AGENCIES"; and

**WHEREAS**, this Agreement is entered into pursuant to California Government Code § 6502.

**AGREEMENT**

**NOW, THEREFORE**, for and in consideration of the mutual advantages to be derived therefrom, and in consideration of the mutual covenants herein contained, it is agreed by and between the "AGENCIES" hereto as follows:

**ARTICLE I  
DEFINITIONS**

**1.1. Fiscal Year.**

"Fiscal Year" means the annual period commencing on July 1, and ending the following June 30.

**ARTICLE II  
PREVIOUS AGREEMENT SUPERSEDED**

2.1. This Agreement shall supersede the previous Joint Exercise of Powers Agreement relating to a Mobile Air Support Unit (MASU) dated July 1, 1998 between the Salinas Rural Fire Protection District and ten Cities and Special Districts collectively referred to as the "Monterey County Fire Agencies Air Support Group" (MCFAASG).

**ARTICLE III  
TERM OF AGREEMENT**

3.1. **Initial Term.** The initial term of this Agreement shall be from 12:00 midnight on December 1, 2009 through 11:59 p.m. on June 30, 2010.

3.2. **Automatic Extension of Term.** The Term of this Agreement, absent notice of termination as further described in Section 3.5 of this Agreement, shall automatically be extended for additional one (1) year increments until terminated by all "AGENCIES" as described in Section 3.5.

3.3. **Withdrawal.** The initial term of this Agreement shall commence on the effective date hereof and shall continue through and including June 30, 2011. Each "PARTY" hereby agrees to participate as a member of the Agreement throughout this initial term. Thereafter, the terms shall continue indefinitely from year to year until the Agreement is terminated and dissolved as provided hereinbelow, or until the term is amended or further defined by written agreement by all parties. Any "PARTY" may withdraw from the Agreement by giving written notice of its intent before June 30<sup>th</sup> of any year. Such written withdrawal shall be effective no sooner than sixty (60) days following the June 30<sup>th</sup> which immediately follows the date of notice. In no event may a party withdraw prior to June 30, 2011.

3.4. **Effect of Withdrawal.** The withdrawal of any "PARTY" from this Agreement shall not terminate this Agreement and no "PARTY", by withdrawing, shall be entitled to payment for, or return of any fee, consideration, or property paid or donated by the "PARTY" to the Agreement, or to any distribution of assets.

**3.5. Termination and Distribution.**

(a) After the expiration of the initial term provided above, this Agreement may be terminated by majority vote of the "AGENCIES" provided, however, that this Agreement shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Agreement.

(b) Upon termination of this Agreement, all assets shall be distributed only among the "AGENCIES" including any of those which previously withdrew pursuant to Section 3.3 of this Agreement, in accordance with and proportionate to their cash payments and property contributions made during the term of this Agreement. The "AGENCIES" shall determine such distribution within six months after the decision is made to dissolve the Agreement provided that said distribution may be deferred by the "AGENCIES" in whole or in part for up to five years from that date as a reserve to meet liabilities known and unknown.

(c) The decision of the "AGENCIES" under this Article shall be final.

#### ARTICLE IV ADMINISTERING AGENCY

4.1. The "DISTRICT" shall be designated as the Administering Agency of this Agreement.

#### ARTICLE V EQUIPMENT

5.1. **Title.** The Administering Agency shall retain title to the RISV apparatus and any and all related equipment and supplies as described in Exhibit A of this Agreement. In the event of a change in Administering Agency pursuant to the provisions of Section 4.2 of this Agreement, the former Administering Agency shall ensure transfer of title of the RISV apparatus and any and all related equipment and supplies as described in Exhibit A to the new Administering Agency within thirty (30) days.

(a) In the event this Agreement is terminated by all "AGENCIES" pursuant to the provisions described in Section 3.3 of this Agreement, title to the RISV apparatus and any related equipment and supplies described in Exhibit A shall remain with the Administering Agency unless otherwise provide by written mutual agreement of all "AGENCIES".

5.2. **Storage and Operation of Apparatus and Equipment.** For the duration of this Agreement, the Administering Agency shall store and operate the RISV apparatus and any and all related equipment and supplies as further described in Section 6.1 of this Agreement.

5.3. **Maintenance and Repair of Apparatus and Equipment.** For the duration of this Agreement, the Administering Agency shall be responsible for any and all preventive maintenance and any necessary repairs of the RISV apparatus and any and all related equipment described in Exhibit A and as further described in Section 6.1 (a) (iii) through Section 6.1 (d) of this Agreement.

5.4. **Modification or Alteration of Apparatus or Equipment.** No portion of the RISV apparatus or any related equipment described in Exhibit A shall be modified or altered without prior approval of all "AGENCIES" to this Agreement and in conformance with the provisions of Section 6.2 (e) in this Agreement.

5.5. **Replacement.** In the event the RISV apparatus or any related equipment described in Exhibit A becomes damaged or otherwise requires replacement, the Administering Agency shall be responsible for the any specifications, procurement, inspection, and acceptance of any replacement apparatus or equipment as authorized by the "AGENCIES" pursuant to the provisions of Section 6.2 (e) of this Agreement.

5.6. **Insurance.** The Administering Agency shall provide and maintain, at its sole cost, all risk insurance coverage for the RISV apparatus and any and all related equipment described in Exhibit A in an amount sufficient to provide for at least 100% of the replacement costs of said equipment as further described in Section 9.3 of this Agreement.

## ARTICLE VI DUTIES OF ADMINISTERING AGENCY UNDER THIS AGREEMENT

6.1. **Description of Services to be Provided by the Administering Agency.** The Administering Agency shall provide the following services under this agreement:

(a) Administering Agency shall, upon request of an authorized representative of any "PARTY" to this Agreement, provide a minimum of two (2) appropriately trained and qualified personnel to respond with the RISV apparatus to an emergency incident within the requesting "PARTY"'s jurisdiction within fifteen (15) minutes of receipt of request. The RISV shall remain committed to the incident until released by the Incident Commander.

(b) Administering Agency may, at its discretion, provide RISV services, either routine or emergency, to non-signatory agencies of this Agreement. In such event, the Administering Agency shall invoice the non-signatory agency for RISV services provided in conformance with the Administering Agency's current adopted fee schedule, or the California State Emergency Management Agency rate, whichever is higher. Any revenues received by the Administering Agency related to services provided to non-signatory agencies shall be deposited into the RISV Fund with the exception of any direct labor costs associated with the provision of such services. The Administering Agency will make every effort to ensure that any RISV services provided to a non-signatory agency shall not conflict with RISV services requested by a signatory "PARTY" to every extent reasonable.

(c) Air Quality Testing. The Administering Agency shall ensure that the quality of the air provided by the RISV air compressor is tested and certified at least quarterly in conformance with applicable federal and state regulations and National Fire Protection Association standards. Air quality records shall be maintained by the Administering Agency for a period of not less than five (5) years.

(d) Repairs. The Administering Agency shall be responsible for ensuring suitable performance of appropriate repairs to the RISV apparatus and any related equipment described in Exhibit A as may be required due to normal wear or damage and as may be authorized by the "PARTIES".

6.2. **RISV Fund.** The Administering Agency shall establish and maintain an RISV Fund as follows:

(a) The Administering Agency shall maintain the RISV Fund as a separate restricted fund in the Administering Agency's accounting system, which shall be used solely for the following purposes:

(i) To provide for the maintenance of the RISV apparatus and any and all related equipment described in Exhibit A in accordance with all applicable manufacturers' recommendations and any applicable federal or state law or regulation and any applicable National Fire Protection Association standards.

(ii) To provide for the repair of the RISV apparatus and any related equipment described in Exhibit A as may be authorized by the "AGENCIES" consistent with Section 6.2 (e) of this Agreement.

(iii) To provide for modification or alteration of the RISV apparatus and any related equipment described in Exhibit A as authorized by the "AGENCIES" to this Agreement pursuant to the provisions described in Section 5.4 and Section 6.2 (e) of this Agreement.

(b) The RISV Fund shall include any carryover funds remaining from the former Mobile Air Support Unit (MASU) Maintenance Fund as established pursuant to the Joint Exercise of Powers Agreement dated July 1, 1998 between the Salinas Rural Fire Protection District and ten Cities and Special Districts collectively referred to as the "Monterey County Fire Agencies Air Support Group" (MCFAASG).

(c) The Administering Agency shall propose an RISV Fund assessment annually by March 1 for the following fiscal year. The proposed annual assessment shall be sufficient to fund anticipated maintenance and repair of the RISV apparatus and any related equipment described in Exhibit A, and to also maintain a reserve Fund balance sufficient to fund any unanticipated repair or modification of the RISV apparatus or any related equipment described in Exhibit A of this Agreement.

(i) The proposed RISV Fund Assessment shall require ratification by a majority of the "AGENCIES" to this Agreement prior to June 30 of each year for the following fiscal year assessment.

(ii) The initial annual RISV Fund assessment is hereby established at four hundred fifty four dollars \$454.00 per signatory "PARTY".

(iii) The Administering Agency shall invoice each "PARTY" for the annual RISV Fund assessment between December 1 and December 30 of each fiscal year.

(d) Any expenditure for maintenance, repair, modification, or replacement of the RISV apparatus or any related equipment described in Exhibit A that exceeds \$2,500.00 or the current balance of the RISV Fund, whichever is less, shall require prior approval by a majority of the "AGENCIES" to this Agreement. In such event, the Administering Agency shall provide the "PARTIES" with the estimated cost of such maintenance, repair, modification, or replacement. Upon approval of a majority of the "AGENCIES" to this Agreement, the Administering Agency may effectuate said maintenance, repair, modification, or replacement and invoice each "PARTY" for their pro-rata share of incurred costs exceeding the RISV Fund balance.

(e) The Administering Agency shall provide an RISV Fund accounting summary report to the "PARTIES" not less than semi-annually detailing any fund accruals, expenditures, and remaining fund balance.

(f) The Administering Agency shall retain all expense records related to the RISV apparatus and any related equipment described in Exhibit A for a period of not less than three (3) years, and shall furnish copy(s) of any expense record to any "PARTY" to this Agreement upon request.

(g) In the event this Agreement is terminated by all "AGENCIES" pursuant to the provisions described in Section 3.5 of this Agreement, any remaining RISV Fund balance shall be equally distributed among the "AGENCIES" by the Administering Agency within thirty (30) days of the effective date of termination of the Agreement.



(i) Nothing in this Agreement shall be construed to limit the right of a "PARTY" to obtain, by any means available at law, any monies due to it from the Administering Agency resulting from termination of this Agreement.

## ARTICLE VII DUTIES OF PARTIES UNDER THIS AGREEMENT

7.1. **Payment of Annual RISV Fund Assessment.** "AGENCIES" shall remit payment for the annual RISV Fund assessment within forty five (45) calendar days of receipt of invoice from the Administering Agency.

(a) Failure of any "PARTY" to remit payment to Administering Agency within one hundred twenty (120) days of receipt of invoice shall constitute a material breach of this Agreement. Notwithstanding Article III of this Agreement, in the event of such material breach, Administering Agency shall have the right to withdraw this Agreement with said delinquent "PARTY" upon the provision to that Agency of thirty (30) days written notice of said withdrawal, and the Term of this Agreement or any extension thereof shall be shortened accordingly with respect to the delinquent "PARTY" only. The withdrawal shall not be effective if delinquent "PARTY" remits all amounts due to Administering Agency within thirty (30) days of receipt of such notice. Withdrawal of this Agreement pursuant to this section shall not be construed to limit the right of the Administering Agency to obtain, by any means available at law, any monies due to it from delinquent "PARTY" pursuant to this Agreement.

7.2. **Payment of any Supplemental RISV Fund Assessment.** "AGENCIES" shall remit payment to Administering Agency within forty five (45) days of receipt of invoice for any supplemental RISV Fund assessment as authorized pursuant to the provisions outlined in Section 6.2(e) of this Agreement.

(a) Failure of any "PARTY" to remit payment to Administering Agency within one hundred twenty (120) days of receipt of invoice shall constitute a material breach of this Agreement. Notwithstanding Article III of this Agreement, in the event of such material breach, Administering Agency shall have the right to withdraw this Agreement with said delinquent "PARTY" upon the provision to that "PARTY" of thirty (30) days written notice of said withdrawal, and the Term of this Agreement or any extension thereof shall be shortened accordingly with respect to the delinquent "PARTY" only. The withdrawal shall not be effective if delinquent "PARTY" remits all amounts due to Administering Agency within thirty (30) days of receipt of such notice. Withdrawal of this Agreement pursuant to this section shall not be construed to limit the right of the Administering Agency to obtain, by any means available at law, any monies due to it from delinquent "PARTY" pursuant to this Agreement.

7.3. **Payment of Unpaid Assessment(s) upon Notice of Withdrawal.** Upon provision of Notice of Withdrawal by any "PARTY" to the Administering Agency pursuant to the provisions described in Section 3.3 of this Agreement, any outstanding unpaid RISV Fund assessment of said withdrawing "PARTY" shall become immediately due and payable to the Administering Agency.

(a) Nothing in this Agreement shall be construed to limit the right of the Administering Agency to obtain, by any means available at law, any monies due to it from a terminating "PARTY" pursuant to this Agreement.

**ARTICLE VIII  
ADDITIONAL "PARTIES" TO AGREEMENT**

8.1. Any Monterey County Fire agency that is not a signatory to this Agreement may become a signatory "PARTY" to this Agreement upon:

- (a) Written request to the Administering Agency, and
- (b) Approval of a majority of the signatory "AGENCIES" to this Agreement, and
- (c) Payment of an RISV Fund assessment to the Administering Agency equivalent to any assessments paid by the other signatories to this Agreement from the initial effective date of this Agreement.

**ARTICLE IX  
INDEMNIFICATION AND INSURANCE**

9.1. **Mutual Indemnification.**

(a) Each "PARTY" shall indemnify, defend and hold harmless the other "AGENCIES", to the extent allowed by law and in proportion to fault, against any and all third-party liability for claims, demands, costs or judgments (direct, indirect, incidental or consequential) involving bodily injury, personal injury, death, property damage or other costs and expenses (including reasonable attorneys' fees, costs and expenses) arising or resulting from the acts or omissions of its own officers, agents, employees or representatives carried out pursuant to the obligations of this Agreement.

(b) The "DISTRICT" shall indemnify, defend and hold harmless the other "PARTIES", to the extent allowed by law and in proportion to fault, against any and all third-party liability for claims, demands, costs or judgments (direct, indirect, incidental or consequential) involving bodily injury, personal injury, death, property damage or other costs and expenses (including reasonable attorneys' fees, costs and expenses) arising or resulting from the acts or omissions of its own officers, agents, employees or representatives carried out pursuant to the obligations of this Agreement.

9.2. **Mutual Indemnification Obligations Survive Withdrawal.** As to activities occurring or being carried out in performance of this Agreement and during the term of this Agreement, the obligations created by Section 9.1 shall survive withdrawal of this Agreement.

9.3. **General Liability and Property Insurance.**

(a) The Administering Agency shall maintain in effect, at its own cost and expense, the following insurance coverage provided either through a bona fide program of self-insurance, commercial insurance policies, or any combination thereof:

(i) Commercial general liability or public liability with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.



(ii) Comprehensive Automobile liability including owned, leased, non-owned, and hired vehicles used to provide services under this Agreement, with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

(iii) Workers' Compensation in accordance with California Labor Code section 3700 with Employer Liability limits not less than \$1,000,000 per person, \$1,000,000 per occurrence, and \$1,000,000 per disease.

(iv) All risk property insurance coverage, excluding earthquake and flood, for all permanent property of an insurable nature in an amount sufficient to cover at least 100% of the replacement costs of said property. In any event, the Administering Agency shall maintain property insurance coverage for all real property and buildings on which the RISV apparatus may be stored or operated.

(b) All insurance required by this Agreement shall be placed (1) with companies admitted to transact insurance business in the State of California and with a current A.M. Best rating of no less than A:VI or with carriers with a current A.M. Best rating of no less than A:VII; or (2) disclosed self-insurance with limits acceptable to the "AGENCIES".

(c) Prior to December 30, 2009, The Administering Agency shall provide copies of certificates of insurance to all other "PARTIES" evidencing that the required insurance is in effect.

(d) All general liability, automobile, and property insurance coverage shall include endorsements as follows:

(i) Naming each signatory "PARTY" as additional insured;

(ii) Providing for a waiver of subrogation in favor of each signatory "PARTY";

(iii) Stating that each signatory "PARTY" shall be provided written notification at least thirty (30) days in advance of any change, cancellation, or non-renewal of any insurance coverage thereof.

(e) Any general liability and automobile insurance coverage shall be primary and non-contributing insurance to:

(i) Include a separation of insurance provision; and

(ii) Any insurance coverage or self-insurance coverage maintained by the signatory "PARTIES".

(iii) Prior to the execution of this Agreement, a certificate of insurance with applicable endorsements shall be provided by the Administering Agency to all other signatory "PARTIES", or in the event the Administering Agency is self-insured, a letter certifying the limits and types of coverage provided.

(iv) Administering Agency shall provide a new or amended certificate of insurance with applicable endorsements to all signatory "PARTIES" immediately upon any change in insurance coverage or carrier.

**ARTICLE X  
MISCELLANEOUS**

10.1. **Amendments to Agreement.** No part of this Agreement shall be altered or amended except by written mutual agreement of the signatory "AGENCIES".

10.2. **Assignment.** The rights and obligations of the "AGENCIES" under this agreement are not assignable and shall not be delegated without the prior written approval of the other "AGENCIES".

10.3. **Dispute Resolution.** The "AGENCIES" recognize that this Agreement cannot represent a complete expression of all issues which may arise during the performance of the Agreement. Accordingly, the "AGENCIES" agree to meet and confer in good faith over any issue not expressly described herein.

It is the "AGENCIES" intention to avoid the cost of litigation and to resolve any issues that may arise amicably, if possible. To that end, the "AGENCIES" agree to meet within ten (10) business days of a request made by any signatory "PARTY" in writing to discuss the issues and attempt to resolve the dispute. If the dispute is not resolved after that meeting, the "AGENCIES" agree to mediate the dispute within 30 calendar days of the meeting or as soon thereafter as possible. The mediator will be chosen by mutual agreement of the "AGENCIES". The costs of mediation will be borne by the "AGENCIES" equally. No "PARTY" may initiate litigation prior to the conclusion of mediation. In any action brought under this Agreement, the prevailing "PARTY" shall be entitled to recover its actual costs and attorney fees pursuant to California Civil Code section 1717.

10.4. **Notices.** All notices required or permitted hereunder shall be deemed sufficiently given if delivered by hand, electronic mail, or by United States mail, postage prepaid, addressed to the "AGENCIES" at the addresses set forth below or to such other address as may, from time to time, be designated in writing.

Salinas Rural Fire Protection District:  
19900 Portola Avenue  
Salinas, CA 93908

City of Marina  
211 Hillcrest Avenue  
Marina, CA 93933

City of Monterey  
Fire Chief  
610 Pacific Street  
Monterey, CA 93940

City of Salinas  
Fire Chief  
222 Lincoln Avenue  
Salinas, CA 93901

City of Seaside  
Fire Chief  
1635 Broadway Avenue  
Seaside, CA 93955

City of Soledad  
Fire Chief  
P.O. Box 156  
Soledad, CA 93960

Carmel Valley Fire Protection District  
8455 Carmel Valley Road  
Carmel Valley, CA 93923

North Monterey County Fire Protection District  
11200 Speegle Street  
Castroville, CA 95012

Spreckels Community Services District  
P.O. Box 7247  
Spreckels, CA 93962

Pebble Beach Community Services District  
Fire Department  
3101 Forest Lake Road  
Pebble Beach, CA 93953

Cypress Fire Protection District  
2221 Garden Road  
Monterey, CA 93940

Carmel Highlands Fire Protection District  
2221 Garden Road  
Monterey, CA 93940

Aromas Tri-County Fire Protection District  
2221 Garden Road  
Monterey, CA 93940

Monterey Peninsula Airport District  
200 Fred Kane Drive  
Monterey, CA 93940

\*\*\*\*\*

This Agreement may be executed in multiple originals, each of which shall be deemed an original, and may be signed in counterparts.

IN WITNESS WHEREOF, the "DISTRICT" and the "PARTIES" execute this agreement hereto on the day and the year first written above.

APPROVED BY:

**SALINAS RURAL FIRE DISTRICT**

BY:

[Signature] 1-26-10  
President of the Board Date

ATTEST:

[Signature]

Approved as to Form:

William D. Co  
District Legal Counsel

1-30-10  
Date

APPROVED BY:

CITY OF MONTEREY

BY:

[Signature]  
City Manager

10 May 2010

Date

ATTEST:

[Signature]  
Assistant City Clerk

Approved as to Form:

[Signature]  
City Attorney

[Signature] (for DM)

Date

1/26/10

**AGENDA ITEM: H**  
**DATE: May 13, 2015**

**REGULAR MEETING OF THE  
MONTEREY PENINSULA AIRPORT DISTRICT  
BOARD OF DIRECTORS**

**DEPARTMENT REPORTS**

**Thomas E. Greer, General Manager**  
Monthly Report

**Jennifer Hickerson, Marketing & Public Relations Coordinator**  
Air Service Development Report

**Ken Griggs, Operations Manager**  
Operations Report

**Monterey Fire Department**  
April 2015 Monthly Report

**Jeff Hoyne, Police Chief**  
Police Activity Report for April 2015

**Jerry Merritt, District Auditor/Controller**  
Financial Summary for March 2015 & FYTD (FY 2015)

**Mark Bautista, Deputy General Manager, Planning & Development**  
P & D Monthly Project Report

**AGENDA ITEM: H**  
**DATE: May 13, 2015**

**TO:** Monterey Peninsula Airport District Board of Directors  
**FROM:** Thomas E. Greer, General Manager  
**DATE:** May 13, 2015  
**SUBJ:** Monthly Report

1. I met with Peter Hiller and Patrick Healey, members of the Monterey County 2014 Civil Grand Jury, as an exit briefing to their look at the Monterey Regional Airport District.
2. I attended the Monterey County Special Districts Association meeting at Shoreline Community Center. The guest speaker was Stephen L. Vagnini, Monterey County Assessor, and County-Clerk-Recorder. Paula Russo has sent me a copy of his power point presentation if anyone would like to see it.
3. Our Administrative staff was hosted to an appreciation luncheon in honor of Administrative Professionals Day.
4. I attended the quarterly luncheon of Special Districts Managers at Laguna Seca Golf Ranch clubhouse.
5. We held Kurt Howe's retirement luncheon in the Board Room.
6. I attended the MCBC Higher Education & Research Competitive Cluster Dinner.
7. On May 5<sup>th</sup>, we had our annual FAR Part 139 Multi-Casualty Incident Table Top exercise, which was attended by numerous agencies including the TSA and FBI. This year, Airport Operations and Police Department conducted the event. Key Staff of both departments are to be commended for the excellent job they did in preparing for and putting on the exercise. In fact, one of the FBI agents commented that it was one of the best table tops he has seen. A thorough report of the exercise will be included in the June Operations Department Report.
8. Attached is a copy of the article "City Ticketing UberX Drivers at Atlanta Airport" from *The Atlanta Journal-Constitution*.

# City Ticketing UberX Drivers At Atlanta Airport

KELLY YAMANOUCHI ON APR 28, 2015

SOURCE: THE ATLANTA JOURNAL-CONSTITUTION

April 28--Hug a stranger. Hop into the front seat of his car. And keep your cell phone out of sight.

Those are some of the tips UberX users are sharing with each other to sidestep the ban on commercial ride-share pickups at the Atlanta airport.

The rule has created a game of cat-and-mouse that some drivers and customers play to avoid getting caught. This year officers at Hartsfield-Jackson International have issued more than 125 citations to Uber drivers for operating without a commercial permit, sometimes impounding cars and leaving customers stranded at the curb.

Uber has gained popularity by enabling people to request a ride via a smartphone app for immediate pick-up. They can get upscale private car service via UberBlack or lower-priced rides from people using their own cars via UberX. A rival, Lyft, also offers ride-share service. Users pay for their rides via the app.

But Hartsfield-Jackson -- one of the busiest venues for pickups anywhere -- says taxi or car services that pick up travelers must have a permit. Many UberBlack drivers do, but UberX and Lyft drivers typically don't. Drop offs are permitted by all.

The airport, owned and run by the city of Atlanta, says it wants to ensure a standard of safety for travelers through government-regulated background checks of drivers and insurance coverage minimums. Uber has been using its own standards.

The airport also collects access fees from commercial drivers to help pay for ground transportation infrastructure including hold lots, pickup areas and staffing.

The conflict between Uber drivers and airport rules makes Hartsfield-Jackson one bustling example of the unsettled legal landscape between technology-driven ride-sharing services and established regulations governing ground transportation.

It turns some ride-share drivers into modern blockade runners.

'Like a brother'



**AGENDA ITEM: H**  
**DATE: May 13, 2015**

**TO:** Thomas E. Greer, General Manager  
**FROM:** Jennifer Hickerson, Marketing & Public Relations Coordinator  
**DATE:** May 1, 2015  
**SUBJ:** Air Service Development Report

The Air Carrier Service/Marketing/Community Relations Committee met May 4, 2015. The agenda for the meeting is included at the end of this report.

**Air Carrier Update:**

- AS – One 76-seat Q400 turboprop daily to SAN arriving MRY.
- G4 (Allegiant) – LAS service continues Thursdays and Sundays.
- AA/US – Continues two CRJ flights daily to LAX.
- US/AA – PHX service continues three times daily. Beginning May 7<sup>th</sup>, a new mid-morning CFJ900 flight will operate Monday through Friday. At the same time, the mid-afternoon flight will change to weekends only. This means that two of the three weekday flights will now be served by a CRJ900 aircraft.
- UA SFO – SFO service continues at two times a day.
- UA LAX – LAX service continues three times a day.
- Gamblers Express Charter (operated by Republic Airlines) – The charter to Laughlin will depart on May 22<sup>nd</sup> at 4:10 p.m. and arrive back on May 25<sup>th</sup> at 12:35 p.m.

**Air Service Development:**

- I will be attending the Allegiant Conference in Las Vegas May 5-8. Joseph Pickering, Mead & Hunt will join me for our one-on-one performance and marketing meetings.
- I will also attend the ACI-NA JumpStart Conference being held June 1-3 in Seattle. We requested meetings with: American, Alaska, Delta and United. I will receive my meeting schedule mid-May. Joseph will be joining me on our one-on-one meetings at the conference.
- Attached please find an Air Service Connectivity report for MRY. This report shows all of the one-stop destinations via the cities we currently have air service to. We will use this information with our community partners for marketing purposes.

## **Marketing, Advertising & Promotions**

### **Advertising:**

- Movie Theaters: We will run again beginning Memorial Day weekend for the summer movie season.
- Billboard: On Hwy 101, 2 miles north of Prunedale. The artwork has been replaced and looks great. We have received many positive comments.
- Television: We are running ads on Giants Baseball and KSBW News.

### **Public Relations:**

- Weekly e-Newsletter: Below are the featured cities during the past five weeks:

Mar	31	US Airways	Phoenix
Apr	7	Allegiant	Las Vegas
Apr	14	Alaska	San Diego
Apr	21	Allegiant	Las Vegas
Apr	28	US Airways	Phoenix
- Social Media/Facebook: "Total Likes" continue to grow – **12,736** as of May 1, 2015.
- On April 22<sup>nd</sup>, staff from the Portola Hotel & Spa distributed 400 reusable grocery bags to passengers and airport visitors for Earth Day. It went very well and Portola hopes to partner again in the future.

### **Customer Service:**

- Customer Comment Cards – see April responses attached.

**Next Committee Meeting:** June 4, 2015 at 9:00 a.m.

**SPECIAL MEETING  
AIR CARRIER SERVICE – MARKETING - COMMUNITY RELATIONS COMMITTEE  
OF THE BOARD OF DIRECTORS  
MONTEREY PENINSULA AIRPORT DISTRICT**

**May 4, 2015 – 9:00 AM**

**Board Room - Terminal Building  
Monterey Regional Airport**

(Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the meeting. Thank you for your compliance.)

**A. CALL TO ORDER**

**B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS**

**C. PUBLIC COMMENTS**

(Any person may address the Committee at this time. Presentations should not exceed three (3) minutes, should be directed to an item **NOT** on today's agenda, and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Though not required, the Monterey Peninsula Airport District Board appreciates your cooperation in completing a speaker request form available on the staff table. Please give the completed form to the Monterey Peninsula Airport District Secretary. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.)

**D. REGULAR AGENDA – ACTION ITEMS**

- |            |    |   |
|------------|----|---|
| Review     | 1. | Marketing, Advertising & Promotions                 |
| Review     | 2. | Air Service   |
| Review     | 3. | Community Alliance for Promotion of Inbound Flights |
| Review     | 4. | Public Relations                                    |
| Review     | 5. | Customer Service Ideas, Feedback & Reports          |
| Discussion | 6. | Schedule next meeting                               |

**E. ADJOURNMENT**

**AGENDA DEADLINE**

This is the final Agenda that has been posted on the bulletin board outside the District Offices in the Terminal Building at the Monterey Peninsula Airport no less than 72 hours prior to the meeting.

# MRY AIR SERVICE CONNECTIVITY

Mead  
& Hunt



# MRY ONE-STOP CONNECTIONS

2

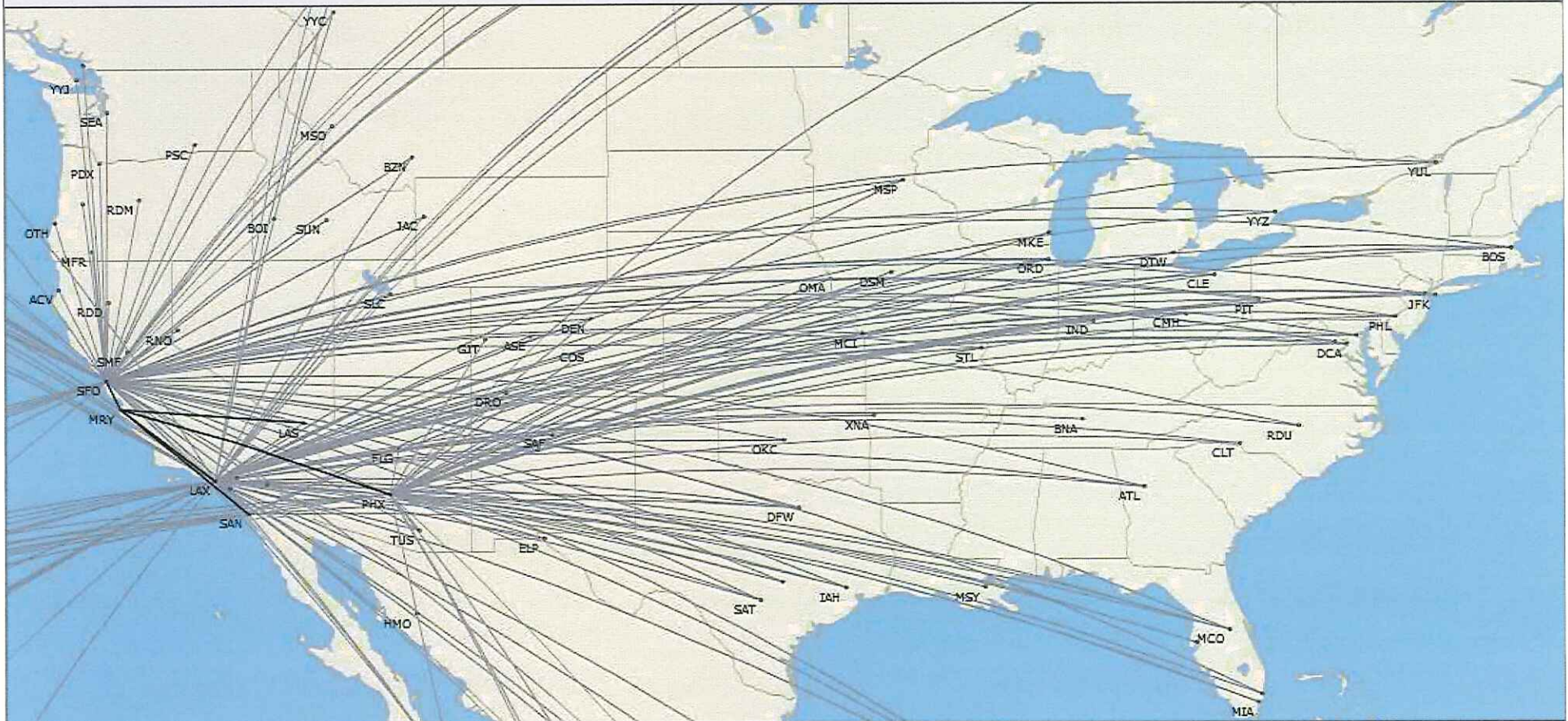
Airline	Nonstop Destinations	July 2015 Avg Daily Flights	Domestic Connections	International Connections	Total Connections
Alaska	San Diego, CA	1.0	8	1	9
Allegiant	Las Vegas, NV	0.3	0	0	0
American	Los Angeles, CA	2.0	38	20	58
	Phoenix, AZ (PHX)	2.9	39	8	47
United	Los Angeles, CA	3.0	32	20	52
	San Francisco, CA	2.9	54	24	78
<b>Total</b>		<b>12.2</b>	<b>171</b>	<b>73</b>	<b>244</b>
<b>Total Unique Destinations</b>		<b>5</b>	<b>73</b>	<b>38</b>	<b>111</b>

- For July 2015, MYR will average 12.2 daily flights to 5 unique destinations on 4 unique air carriers
- MRY is has single-stop connections to **111 unique destinations;** 73 domestic and 38 international



# CONNECTIONS – MAINLAND US

3

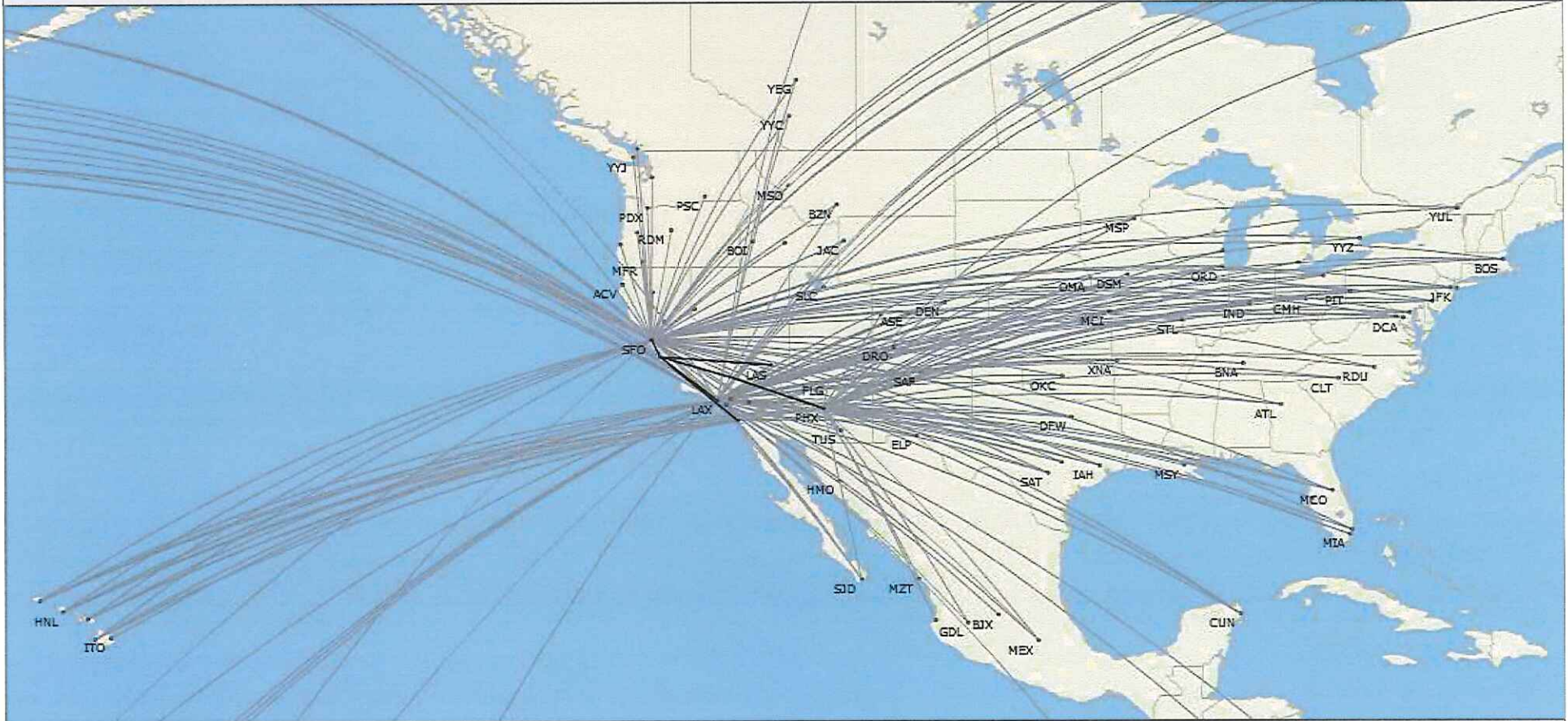


Source: Diio Mi Schedules for July 2015; circuitry less than 1.5



# CONNECTIONS – NORTH AMERICA

4



Source: Diio Mi Schedules for July 2015; circuitry less than 1.5

# CONNECTIONS - WORLD

5



Source: Diio Mi Schedules for July 2015; circuitry less than 1.5



### Domestic

ABQ	Albuquerque, NM	AKL
ACV	Arcata, CA	AUH
ANC	Anchorage, AK	BJX
ASE	Aspen, CO	BNE
ATL	Atlanta, GA	CDG
AUS	Austin, TX	CUN
BNA	Nashville, TN	DUS
BOI	Boise, ID	FRA
BOS	Boston, MA	GDL
BWI	Baltimore, MD	GRU
BZN	Bozeman, MT	HKG
CLE	Cleveland, OH	HMO
CLT	Charlotte-Douglas, NC	HND
CMH	Columbus, OH	ICN
COS	Colorado Springs, CO	KIX
DCA	Washington, DC (DCA)	LHR
DEN	Denver, CO	LIM
DFW	Dallas, TX (DFW)	MEL
DRO	Durango, CO	MEX
DSM	Des Moines, IA	MUC
DTW	Detroit, MI	MZT
ELP	El Paso, TX	NAN
EUG	Eugene, OR	NRT
EWR	Newark, NJ	PEK
FLG	Flagstaff, AZ	PPT
FLL	Fort Lauderdale, FL	PTY
GJT	Grand Junction, CO	PVG
HNL	Honolulu, HI	PVR
IAD	Washington, DC (IAD)	SJD
IAH	Houston, TX (IAH)	SYD
IND	Indianapolis, IN	TPE
ITO	Hilo/Hawaii, HI	YEG
JAC	Jackson Hole, WY	YUL
JFK	New York, NY (JFK)	YVR
KOA	Kona, HI	YYC
LAS	Las Vegas, NV	YYJ
LIH	Lihue, HI	YYZ
MCI	Kansas City, MO	ZRH
MCO	Orlando, FL (MCO)	
MFR	Medford, OR	
MIA	Miami, FL	
MKE	Milwaukee, WI	
MSO	Missoula, MT	
MSP	Minneapolis, MN	
MSY	New Orleans, LA	
OGG	Kahului, HI	
OKC	Oklahoma City, OK	
OMA	Omaha, NE	

### International

Auckland, New Zealand  
Abu Dhabi, United Arab Emirates  
Leon/Guanajuato, Mexico  
Brisbane, Australia  
Paris-De Gaulle, France  
Cancun, Mexico  
Duesseldorf, Germany  
Frankfurt, Germany  
Guadalajara, Mexico  
Sao Paulo-Guarulhos, Brazil  
Hong Kong, Hong Kong  
Hermosillo, Mexico  
Tokyo-Haneda, Japan  
Seoul, South Korea  
Osaka, Japan (KIX)  
London, UK (LHR)  
Lima, Peru  
Melbourne, Australia  
Mexico City, Mexico  
Munich, Germany  
Mazatlan, Mexico  
Nadi, Fiji  
Tokyo, Japan (NRT)  
Beijing, China  
Papeete, French Polynesia  
Panama City, Panama  
Shanghai, China  
Puerto Vallarta, Mexico  
San Jose Cabo, Mexico  
Sydney, Australia  
Taipei, Taiwan  
Edmonton, Canada  
Montreal, Canada  
Vancouver, Canada  
Calgary, Canada  
Victoria, Canada  
Toronto, Canada  
Zurich, Switzerland

Date	Time	Pax		Airline	Flt #	Tone	Comments	Name	Address City & State
		Was							
4/1	1040			US		P	Great small, friendly airport. Way better than San Jose.	K.D.	Wickenburg, AZ
4/1	530	D		AL	2437	P	Good & friendly employees! Would recommend to friends.	D.P.	
4/3	1130					N	I am really disappointed that they cut out the Denver flights.	J.B.	Carmel, CA
4/4	1100	D		AE	5518	P	Restrooms are clean. Airport layout is easy to understand. Staff courteous and friendly.	R.C.	Damascus, MD
4/9	1200	D		US	5518	P	Nice enlargement to waiting rooms. Please turn down sound on tv.	R.B.	Carmel, CA
4/9	1600			AE	2858	N	Not enough staff here. No one to check you in at counter.		
4/14	745	D		AE	2857	P	Kayla Shepherd is to be complimented & recognized. She went the extra mile to help me.	D.H.	Salinas, CA
4/14	735	D		AE	5518	N	Golden Tea Snack bar Seniorita who wouldn't top talking on cell. JD was rudest man ever.	D.N.	Marairie, LA
4/16	1025	G		US	2741	N	Lost luggage. No service at counter. Next time will fly SJC.	H.O.	Salinas, CA
4/21	1148	A		US	5532	N	Wait time to receive baggage is excessive. This is not the first time.	J.T.	Washington, DC
4/24	1027					N	Several times we have had to sit on plane for 10-15 min. because they bring steps to the door. Annoying.	B.S.	Carmel, CA
4/29	1530	D		US	2755	P	The airport continues to progress and get better each trip. Love the displays.	N.F.	Surprize, AZ

**TO:** Thomas E. Greer, General Manager  
**FROM:** Operations Manager Griggs  
**DATE:** May 6, 2015  
**SUBJ:** Operations Report

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The following is a summary of significant activity in the Operations Department for April 2015.

1. Continued coordination with duties pertaining to the Runway Safety Area improvement project.
2. MPAD continues to work with consultants representing California Airports in preparation for the California State Resources Control Board July 1<sup>st</sup> enforcement of the revised mandated Storm Water permit pertaining to electronic reporting components and inspection adjustments.
3. Assisted Planning & Development with the approval process to relocate the West Air operated Fed-Ex caravans from the west Del Monte Aviation ramp to the southeast hangars. Provided coordination with Air Traffic Control and Del Monte Aviation staff for moving equipment and infrastructure.
4. The new permanent Runway 28L approach end configuration, consisting of runway markings and new navigational aids were successfully commissioned to coincide with the FAA publication date cycle of April 30<sup>th</sup>.
5. Continued airfield familiarization training for newly hired employees and consultant staff.
6. Attached is the Noise Comment Report for April. No comments were received.
7. Attached is the Operating and Expense Report for the Taxi Open-Entry System.
8. Attached is the Commercial Flight Cancellations & Delay Report. In the month of April there were a total of 89 delays and 6 cancellations.
9. Attached is the Commercial Flight Schedule for May 2015.
10. Below is the summary of scheduled activity for May 2015:

Alaska Air flown by Horizon

- No changes from April
- Continuing to operate one daily departure to San Diego.
- Scheduled to operate a total of 62 flights (Arrivals and Departures)

Allegiant Air

- Resumes service twice a week on Thursdays and Sundays.
- Scheduled to operate a total of 18 flights (Arrivals and Departures)

American Eagle flown by SkyWest

- No changes from April
- Will continue to operate two daily departures.
- Scheduled to operate a total of 124 flights (Arrivals and Departures)

United flown by SkyWest

- No significant changes from April
- Will operate two daily SFO departures and three daily departures to LAX.
- Scheduled to operate a total of 310 flights (Arrivals and Departures)

US Airways flown by SkyWest/Mesa

- No significant changes from April
- Continuing to operate three daily departures.
- The CRJ900 will operate two daily flights (one on weekends).
- Scheduled to operate a total of 186 flights (Arrivals and Departures)

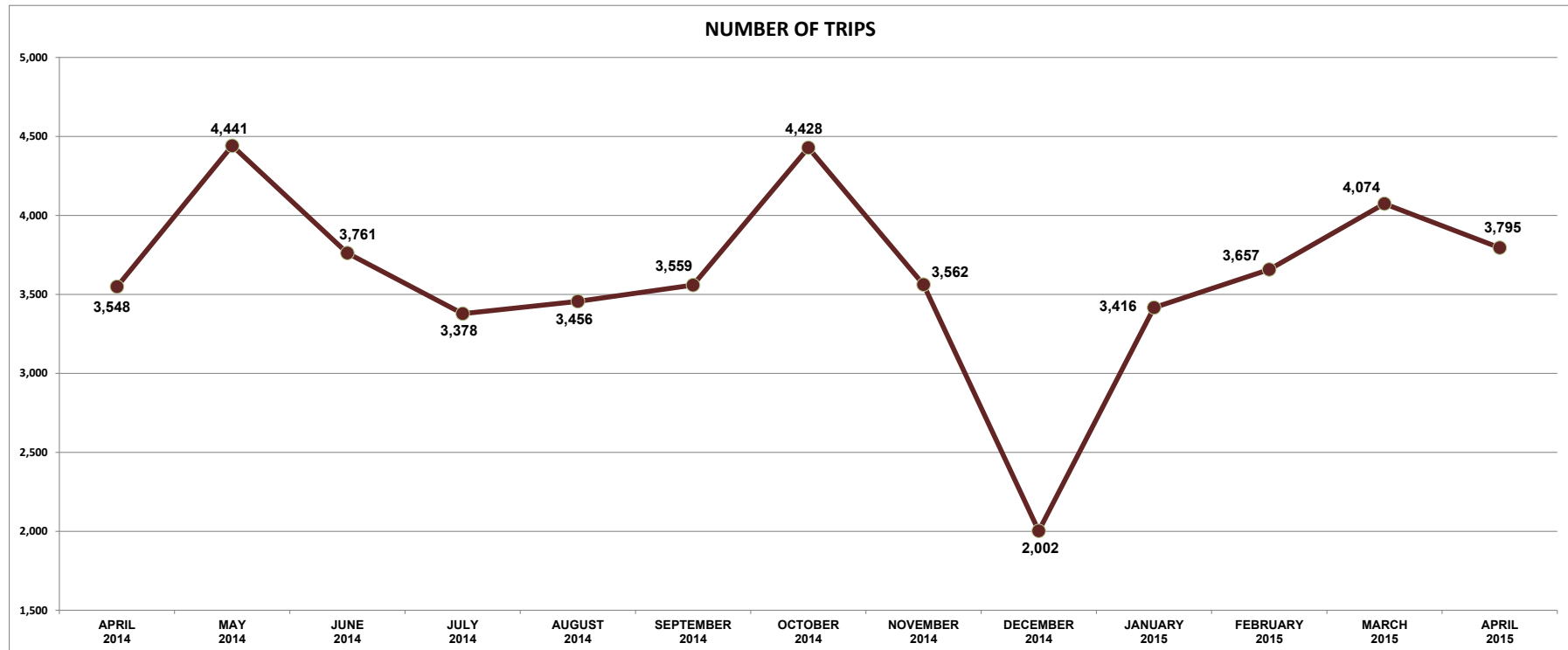
Cumulatively speaking the airlines have scheduled 236 fewer flights (700 vs. 936) as compared to last April. This is primarily due to the United Express service elimination of the Denver flight, the reduction from three to two daily LAX flights flown by American Eagle, and the contraction of United Airlines SFO flights to maximize capacity using Canadair Regional Jets (50 and in some cases 76 seats) in lieu of Embraer 120s (27 seats) turbo-props.

## MRY AIRPORT NOISE COMMENT LOG APRIL 2015

Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Caller Comments	By	Action Taken	Notes
<b>AIR OPERATIONS CENTERED AT MONTEREY AIRPORT</b>									
<b>AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT</b>									
<b>AIR OPERATIONS OUT OF AREA</b>									
<b>MONTHLY TOTALS and COMPARISONS</b>									

	<b>April-15</b>	<b>April-14</b>			<b>Other Airport</b>	<b>UNKNOWN ORIGINS</b>
Number of Complaints:	0	2	-100%		0	0
Number of Operations:	5,224	4,175	25%			
			% Change			
Annual Total	14	12	17%		0	0

13-MONTH ROLLING COMPARISON



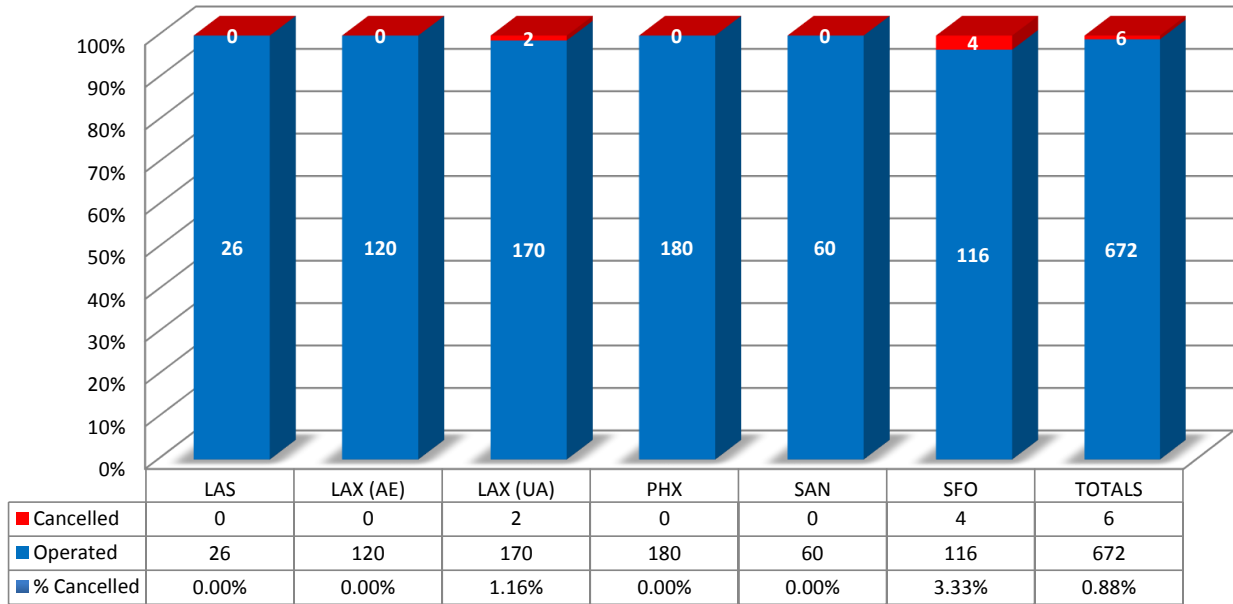
	2014 APRIL	2014 MAY	2014 JUNE	2014 JULY	2014 AUGUST	2014 SEPTEMBER	2014 OCTOBER	2014 NOVEMBER	2014 DECEMBER	2014 JANUARY	2015 FEBRUARY	2015 MARCH	2015 APRIL
<b>NUMBER OF TRIPS</b>	3,548	4,441	3,761	3,378	3,456	3,559	4,428	3,562	2,002	3,416	3,657	4,074	3,795
<b>NUMBER OF CABS</b>	138	139	142	106	113	114	117	119	122	123	124	127	128
<b>TAXI TRIP FEES</b>	\$ 10,644	\$ 13,323	\$ 11,283	\$ 10,134	\$ 10,368	\$ 10,677	\$ 13,284	\$ 10,686	\$ 6,006	\$ 10,248	\$ 10,971	\$ 12,222	\$ 11,385
<b>TAXI MEDALLION FEES<sup>1</sup></b>	\$ 2,542	\$ 2,542	\$ 2,667	\$ 2,208	\$ 3,958	\$ 2,458	\$ 3,646	\$ 2,583	\$ 2,833	\$ 2,333	\$ 2,458	\$ 2,743	\$ 2,271
<b>TAXI - TOTAL REVENUE</b>	<u>\$ 13,186</u>	<u>\$ 15,865</u>	<u>\$ 13,950</u>	<u>\$ 12,342</u>	<u>\$ 14,326</u>	<u>\$ 13,135</u>	<u>\$ 16,930</u>	<u>\$ 13,269</u>	<u>\$ 8,839</u>	<u>\$ 12,581</u>	<u>\$ 13,429</u>	<u>\$ 14,965</u>	<u>\$ 13,656</u>
<b>CURB MGMT CONTRACT</b>	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897
<b>EQUIPMENT DEPRECIATION</b>	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ -
<b>SOFTWARE LICENSE / HOSTING</b>	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175
<b>EXPENDABLE SUPPLIES</b>													
<b>TAXI - TOTAL EXPENSE</b>	<u>\$ 14,102</u>	<u>\$ 14,102</u>	<u>\$ 14,102</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 13,072</u>
<b>OPERATING INCOME / (LOSS)</b>	\$ (916)	\$ 1,763	\$ (152)	\$ (2,330)	\$ (346)	\$ (1,537)	\$ 2,258	\$ (1,403)	\$ (5,833)	\$ (2,091)	\$ (1,243)	\$ 293	\$ 584
<b>CUMULATIVE (13-MONTH) OPERATING INCOME / (LOSS)</b>													\$ (10,952)

AS OF: 04/30/15

	YEAR-TO-DATE FISCAL YEAR 2015		
	ACTUAL	PLAN	VAR
NUMBER OF TRIPS	35,327	38,122	-2,795
NUMBER OF CABS	128	122	6
TAXI TRIP FEES	\$ 105,981	\$ 112,356	\$ (6,375)
TAXI MEDALLION FEES	\$ 27,493	\$ 25,420	\$ 2,073
TAXI - TOTAL REVENUE	<u>\$ 133,474</u>	<u>\$ 137,776</u>	<u>\$ (4,302)</u>
CURB MGMT CONTRACT	\$ 108,970	\$ 103,270	\$ (5,700)
EQUIPMENT DEPRECIATION	\$ 14,400	\$ 14,400	\$ -
SOFTWARE LICENSE / HOSTING	\$ 21,750	\$ 21,750	\$ -
EXPENDABLE SUPPLIES	\$ -	\$ 300	\$ 300
TAXI - SUB-TOTAL EXPENSE	<u>\$ 145,120</u>	<u>\$ 139,720</u>	<u>\$ (5,400)</u>
OPERATING INCOME / (LOSS)	\$ (11,646)	\$ (1,944)	\$ (9,702)

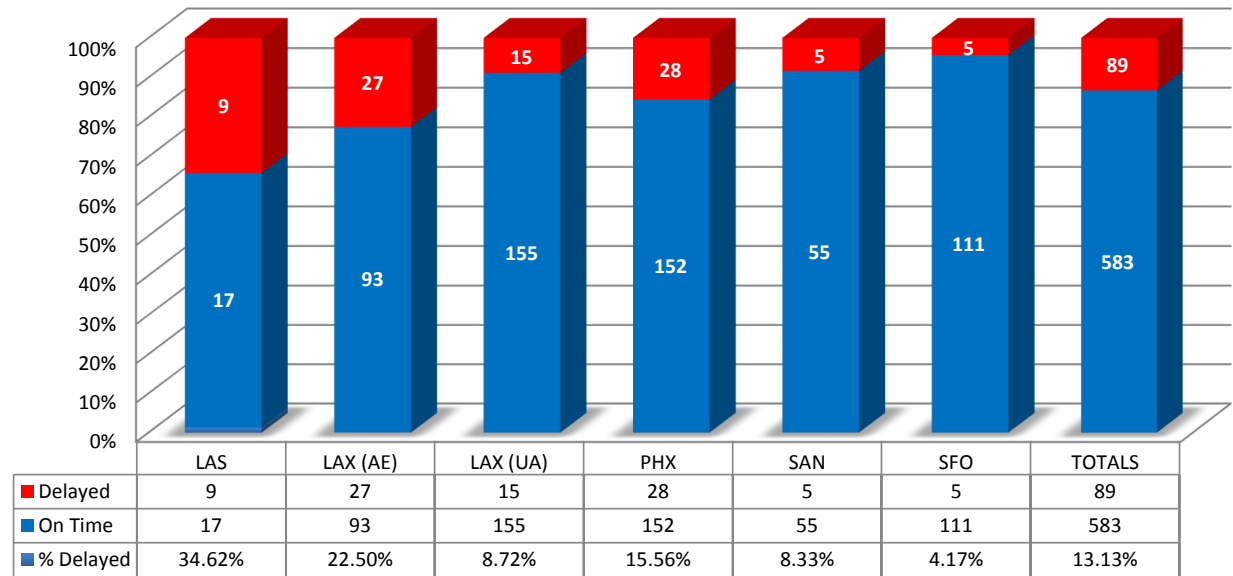
# APRIL 2015

## April Commercial Flights Operated vs. Canceled



**TOTAL CANCELED FLIGHTS: 6**



























## April Commercial Flights On Time vs. Delayed



**TOTAL DELAYED FLIGHTS: 89**



## Monterey Regional Airport May 2015 Flight Schedule

ARRIVALS					DEPARTURES						
FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD		
CRJ900 (76)	PHX	 U.S. AIRWAYS	5589	9:17 AM	MO-FR EFF MAY 7	SFO	 UNITED	6346	5:30 AM 6:00 AM	MAY 1-5 MAY 6-31	CRJ200 (50)
MD80 (166)	LAS	 allegiant air	540	2:25 PM 10:25 AM 9:55 AM	MAY 3 TH ALL OTHER SU	LAX	 UNITED	5316	5:45 AM 6:58 AM 6:05 AM 6:30 AM	MAY 1-5 MO-FR SA SU	CRJ200 (50)
CRJ900 (76)	PHX	 U.S. AIRWAYS	5532	11:50 AM	DAILY	PHX	 U.S. AIRWAYS	2787	6:15 AM	DAILY	CRJ200 (50)
CRJ200 (50)	LAX	 UNITED	5457/5312	12:13 PM 10:13 AM 9:20 AM 9:45 AM	MAY 1-5 MO-FR SA SU	LAX	 American Airlines	2857	7:50 AM	DAILY	CRJ200 (50)
CRJ200 (50)	PHX	 U.S. AIRWAYS	2754	3:35 PM	MAY 1-6 & SA-SU	SAN	 Alaska	2437	8:00 AM	DAILY	Q400 (76)
CRJ200 (50)	SFO	 UNITED	5609	5:00 PM	DAILY	PHX	 U.S. AIRWAYS	5589	9:50 AM	MO-FR EFF MAY 7	CRJ900 (76)
CRJ200 (50)	LAX	 American Airlines	2858	5:26 PM	DAILY	LAX	 UNITED	5423	12:45 PM 10:43 AM 10:15 AM	MAY 1-5 MO-FR SA & SU	CRJ200 (50)
CRJ200 (50)	LAX	 UNITED	5338	5:45 PM	DAILY	LAS	 allegiant air	541	3:10 PM 11:10 AM 10:40 AM	MAY 3 TH ALL OTHER SU	MD80 (166)
Q400 (76)	SAN	 Alaska	2436	7:42 PM	DAILY	PHX	 U.S. AIRWAYS	5518	12:20 PM	DAILY	CRJ900 (76)
CRJ200 (50)	LAX	 UNITED	5356	9:42 PM 11:30 PM	MAY 1-5 MAY 6-31	SFO	 UNITED	6232	5:30 PM	DAILY	CRJ200 (50)
CRJ200 (50)	PHX	 U.S. AIRWAYS	2741	9:56 PM	DAILY	PHX	 U.S. AIRWAYS	2755	4:05 PM	MAY 1-6 & SA-SU	CRJ200 (50)
CRJ200 (50)	LAX	 American Airlines	2887	10:00 PM	DAILY	LAX	 American Airlines	2861	5:55 PM	DAILY	CRJ200 (50)
CRJ200 (50)	SFO	 UNITED	6376	11:26 PM	DAILY	LAX	 UNITED	5391	6:15 PM	DAILY	CRJ200 (50)

\*Flight Schedule is general information and subject to change. Schedules are updated monthly and can change daily. Please contact your airline for further information.



## MONTEREY FIRE DEPARTMENT

### Report to Airport Board of Directors

April 2015

#### 1. Incident Responses

Engine assigned to Fire Station 6 (Airport) responded to a total of 16 incidents during the month as follows (see attached for breakdown of types of incidents):

- MPAD property – 2
- City of Monterey – 13
- Auto / Mutual Aid – 1

#### 2. Training

Software issues prevented running the training report to get accurate numbers for training hours completed.

Currently the following numbers of personnel are qualified in the ARFF training program:

- Awareness (familiar with operations at the Airport): 71
- Operational (qualified to work at Airport, but no live fire training): 31
- Technician (fully qualified to be the designated ARFF fire engineer): 13

#### 3. Other

- The Command Vehicle was taken to be displayed in Sacramento for California Aviation Day and received much acclaim.
- We are continuing to prepare for the May FAA inspection.

**Monterey Fire Department**

**Incident Type Report (Summary)**

**Alarm Date Between {04/01/2015} And  
{04/30/2015} and Station = "6"**

<b>Incident Type</b>	<b>Count</b>	<b>Pct of Incidents</b>	<b>Total Est Loss</b>	<b>Pct of Losses</b>
<b>3 Rescue &amp; Emergency Medical Service Incident</b>				
3111 Medical Call No Aid Given	1	6.25%	\$0	0.00%
321 EMS call, excluding vehicle accident with injury	7	43.75%	\$0	0.00%
322 Motor vehicle accident with injuries	1	6.25%	\$0	0.00%
324 Motor Vehicle Accident with no injuries	1	6.25%	\$0	0.00%
356 High-angle rescue	1	6.25%	\$0	0.00%
	<b>11</b>	<b>68.75%</b>	<b>\$0</b>	<b>0.00%</b>
<b>4 Hazardous Condition (No Fire)</b>				
412 Gas leak (natural gas or LPG)	1	6.25%	\$0	0.00%
445 Arcing, shorted electrical equipment	1	6.25%	\$0	0.00%
462 Aircraft standby	1	6.25%	\$0	0.00%
	<b>3</b>	<b>18.75%</b>	<b>\$0</b>	<b>0.00%</b>
<b>7 False Alarm &amp; False Call</b>				
745 Alarm system activation, no fire - unintentional	2	12.50%	\$0	0.00%
	<b>2</b>	<b>12.50%</b>	<b>\$0</b>	<b>0.00%</b>
<b>Total Incident Count:</b>	<b>16</b>		<b>Total Est Loss:</b>	<b>\$0</b>

**AGENDA ITEM: H**  
**DATE: May 13, 2015**

**TO:** Thomas E. Greer, General Manager  
**FROM:** Police Chief Jeff Hoyne  
**DATE:** May 6, 2015  
**SUBJECT:** Police Activity Report for April 2015

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The following is a summary of significant activity in the Police Department during April 2015:

### **Highlights**

- MRY PD responded to **255 door and gate alarms**.
- Officers worked a total of **6 hours of overtime in April**.
- MRY PD Officers conducted **more than 100 business and area checks** over the course of April.
- MRY PD Officers responded to three outside agency assists in April, which consisted of the following:
  - 4/12 @ 0440 Assisted AMR with a patient/crew transfer for a medical flight.
  - 4/12 @ 1748 Assisted AMR with a patient/crew transfer for a medical flight.
  - 4/14 @ 2000 Assisted Del Rey Oaks PD on a report of a physical disturbance. Code 4 upon arrival as the suspect had left the scene prior to police arrival.

### **Training**

#### **All MRY PD Officers completed:**

- Monthly Lexipol Daily Training Bulletins
- New Taser Model familiarization and requalification
- Policy Review 424.3 Rapid Response (Active Shooter)
- Review DMV Form 1128 DMV Security Statement

#### **MRY PD Command Staff (Chief and Sergeants) completed:**

- Assigned Police One article "What Departments Can Do to Improve Officer Safety and Well-Being".

### **Calls for Service**

1. 4/2 @ 0738 MRY officers responded to the checkpoint on a report of a subject who had no ID, that required enhanced screening and did not successfully complete the screening. Subject was refused entry by TSA.

2. 4/6 @ 0245 Officer Shean found Hangar 1240 A open during a routine patrol. The hangar appeared secure and the hangar was unable to be secured at that time.
3. 4/6 @ 1855 MRY officers responded to a burglary alarm at the Airport Self-Storage. The business was found to be code 4 upon arrival. No criminal activity.
4. 4/9 @ 0015 Officer Church assisted a stranded passenger in the terminal who was flying out the next day with no housing for the night. Officer Church provided a courtesy transport to a local restaurant for the night.
5. 4/19 @ 1430 MRY officers assisted a family whose young, developmentally disabled son was throwing up and having anxiety over a scheduled flight home to Las Vegas. The family decided to drive home instead.
6. 4/20 @ 1300 MRY officers assisted an elderly passenger who was having trouble exiting the parking lot at the exit gate. Problem resolved without issue.
7. 4/21 @ Officer Bough investigated a burglary to a storage unit at Monterey Highway Self Storage. Case 15-45 completed. Investigation continuing.
8. 4/25 @ 1530 MRY officers assisted the District Attorney's Office with an escort through the airport of a witness in a high-profile criminal case.
9. 4/26 @ 0950 While on routine patrol Sergeant Porter observed the gate to the RV storage lot was stuck open. Gate was secured and the Maintenance Department was notified.
10. 4/26 @ 1945 MRY officers investigated a report of a subject possibly attempting to steal a rental car by renting it with a fraudulent ID. Subsequent investigation by officers led to the identification of a suspect that was positively identified in a photo line-up. A secondary suspect was developed for possible intimidation of a witness (via text messages). Investigation ongoing, charges filed with District Attorney's Office. A Close Patrol project has been initiated to provide extra patrols and high-visibility presence at the Hertz counter during this investigation.
11. 4/28 @ 1550 MRY officers responded to a serious head-on collision (including vehicle occupants being ejected) on HWY 68 just west of HWY 218. The road was shut down for more than an hour. MRY officers assisted with traffic control and witness statements.
12. 4/29 @ 1525 MRY officers responded to the checkpoint to contact a passenger who had ammunition located in their carry-on luggage. The ammunition was confiscated for destruction.

**TO:** Tom Greer, General Manager, Monterey Peninsula Airport District  
**FROM:** Jerry Merritt, District Auditor/Controller  
**SUBJ:** Financial Summary for March 2015 & FYTD (FY 2015)

**BACKGROUND.** The Financial Summary for March 2015 (the ninth period of Fiscal Year 2015) is summarized by the following documents:

- **Graphic Comparisons – Actual Operating Revenue & Actual Operating Expense**
- **Airport District Operating Statistics & Financial Performance**
- **Sources / Uses of Cash**
- **Capital Expenditures**

**SUMMARY.** In March, operating revenue was above plan by \$7,897 (1%). Taxi operator permits & fees, terminal concessions, rental car concessions, parking concession, GA landing fees and fuel flowage fees were above plan; all other operating revenue categories were on or below plan. When reviewed on the FYTD basis, operating revenue was above plan by \$105,386 (2%). Partially due to phasing and partially due to increased offsets, operating expense was below plan by \$47,501 (-8%); below plan by \$255,503 (-4%) FYTD. Net income for March was 108% above plan; FYTD net income was 222% above plan. The net change in cash position (for March) was a positive \$84,205; net change in cash position FYTD was a positive \$286,369.

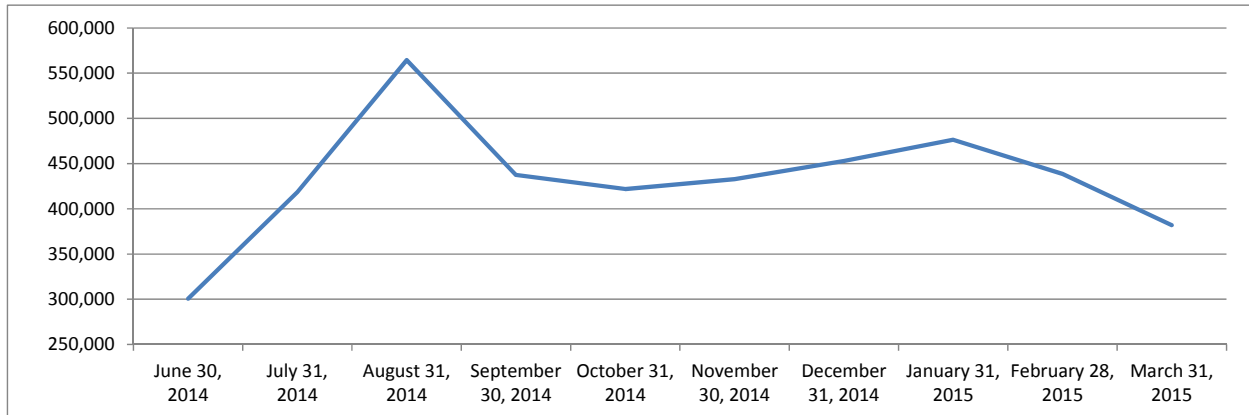
OPERATING REVENUE							
MARCH 2015 ACTUAL	MARCH 2015 PLAN	VARIANCE		FISCAL YTD 2015 ACTUAL	FISCAL YTD 2015 PLAN	VARIANCE	
		\$	%			\$	%
\$ 678,091	\$ 670,194	\$ 7,897	1%	\$ 6,236,499	\$ 6,131,113	\$ 105,386	2%

OPERATING EXPENSE							
MARCH 2015 ACTUAL	MARCH 2015 PLAN	VARIANCE		FISCAL YTD 2015 ACTUAL	FISCAL YTD 2015 PLAN	VARIANCE	
		\$	%			\$	%
\$ 571,310	\$ 618,811	\$ 47,501	-8%	\$ 5,712,810	\$ 5,968,313	\$ 255,503	-4%

OPERATING INCOME / (LOSS)							
MARCH 2015 ACTUAL	MARCH 2015 PLAN	VARIANCE		FISCAL YTD 2015 ACTUAL	FISCAL YTD 2015 PLAN	VARIANCE	
		\$	%			\$	%
\$ 106,780	\$ 51,383	\$ 55,397	108%	\$ 523,689	\$ 162,800	\$ 360,889	222%

**ACCOUNTS RECEIVABLE.** The accounts receivable balance on March 31, 2015, was \$381,871. This balance is 12.9% lower than the balance on February 28, 2015, and 27.0% higher than the balance on June 30, 2014. Of the accounts receivable balance, \$13,470 or 3.5% was over 60 days old. Chart 1 depicts the accounts receivable balances by month.

**Chart 1**



Under normal circumstances, the balance of accounts receivable at month-end will align with the dynamic (variable) operating revenue in that month, such as landing fees, fuel flowage fees, concession-based revenues, passenger facility charges (PFC). Typically, accounts receivable balances will span a range from \$300,000 to \$550,000, depending on the District's business cycle. We have a cyclic high in August; a cyclic low in January. Compared to February, March operating revenue increased 4.7%; compared to January, March operating revenue increased 6.2%. Chart 2 graphically presents the monthly comparison of operating revenues to accounts receivable.

**Chart 2**

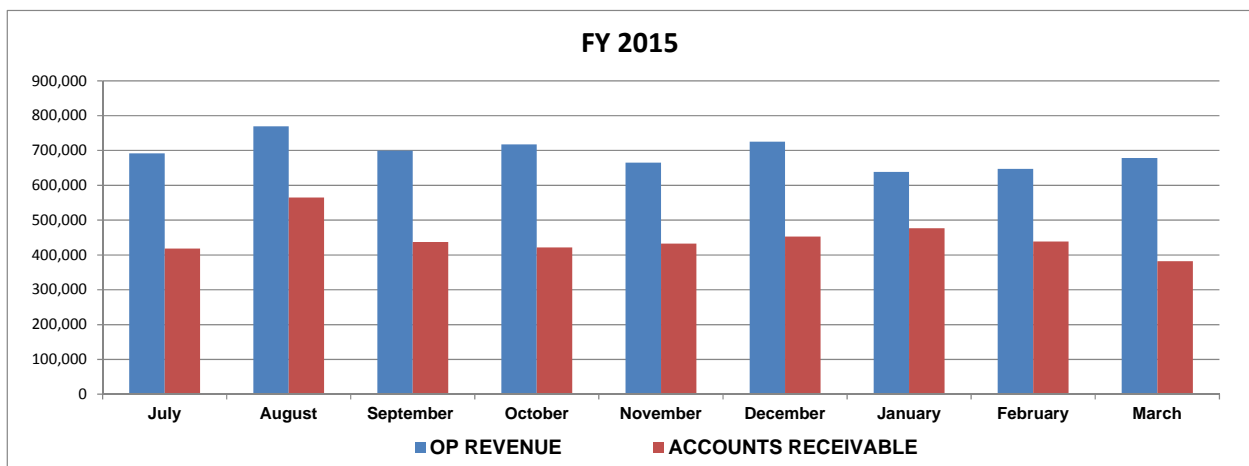
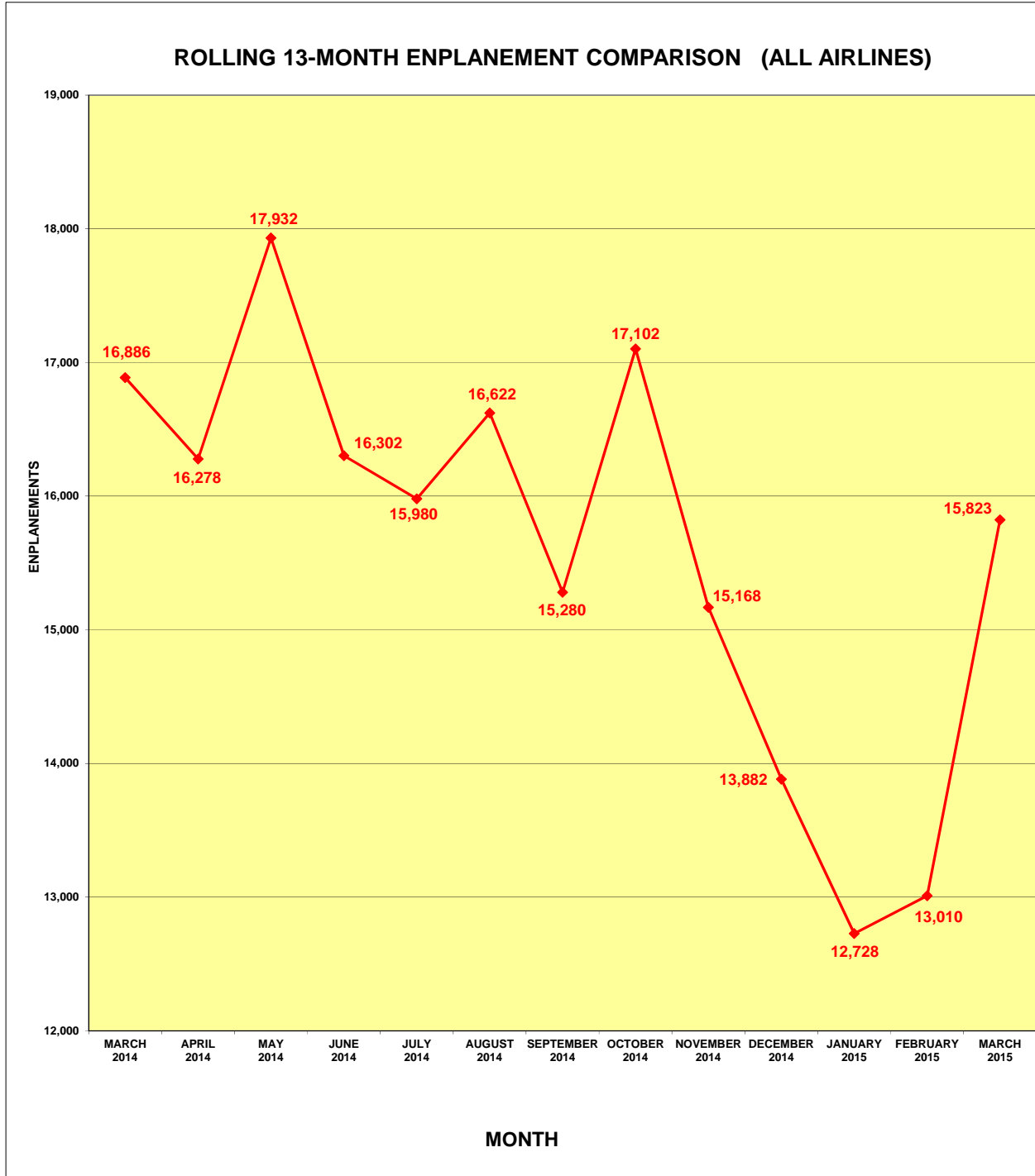


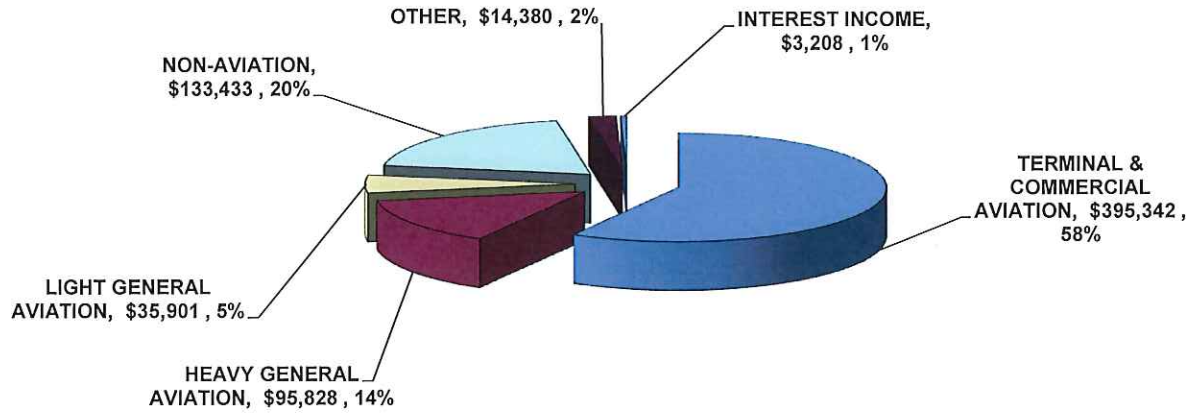
Chart 3 presents a rolling 13-month display of total enplanements which mimics the business cycle of the District. When compared to February 2015, March 2015 enplanements increased 21.6%. When compared to March 2014, March 2015 enplanements decreased 6.3%.

**Chart 3**



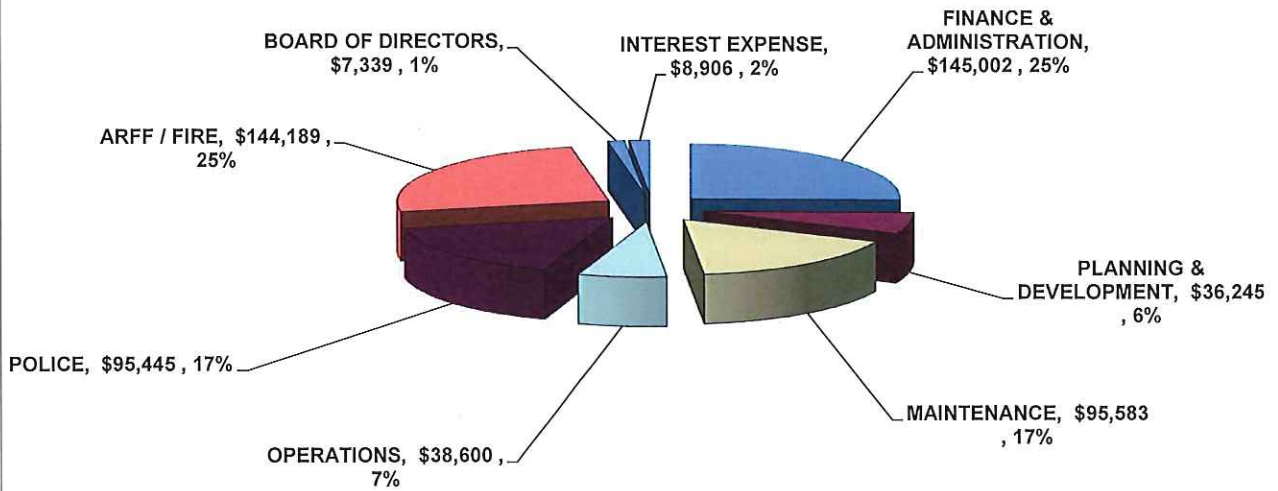


### MARCH 2015 OPERATING REVENUE



TOTAL OPERATING REVENUE: \$678,091

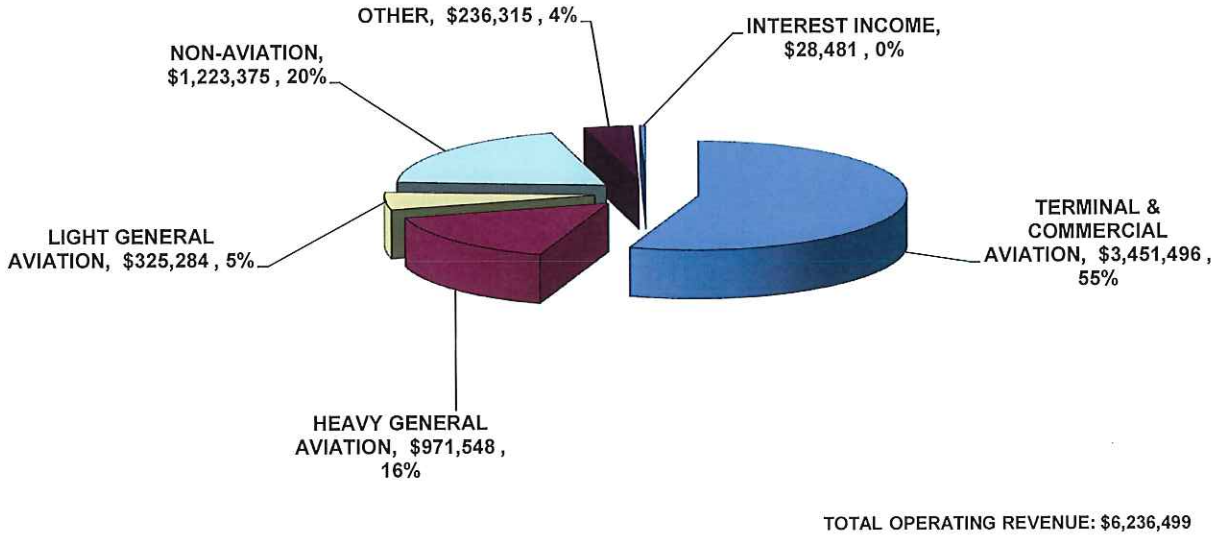
### MARCH 2015 OPERATING EXPENSE



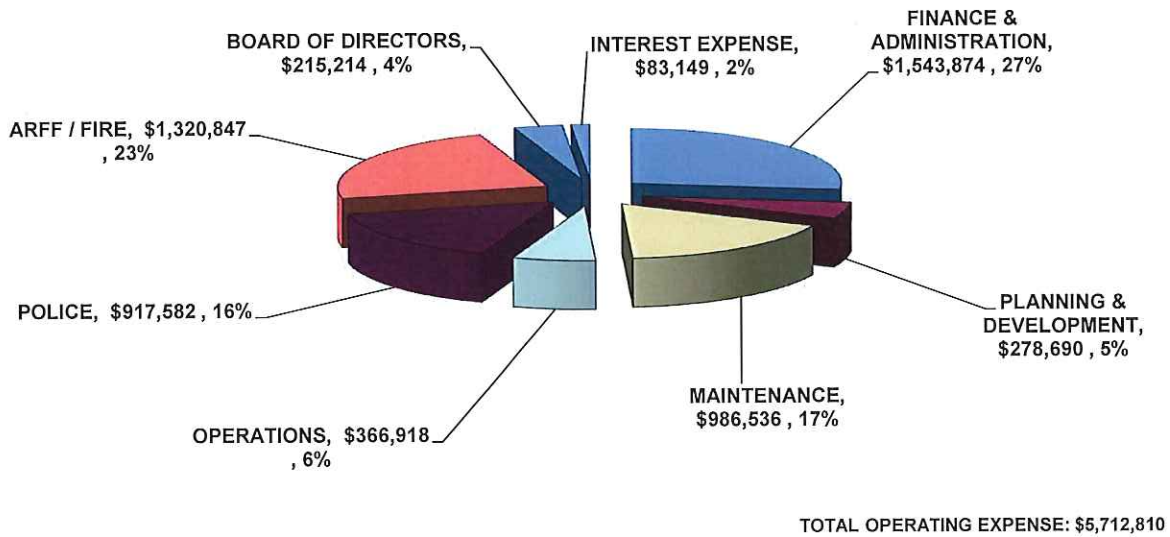
TOTAL OPERATING EXPENSE: \$571,310

Monterey Peninsula Airport District

FY 2015 (July 14 - March 15) YTD OPERATING REVENUE



FY 2015 (July 14 - March 15) YTD OPERATING EXPENSE



# AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

March 31, 2015

OPERATING STATISTICS	MARCH 15		MARCH 14		YTD FY 15		YTD FY 14	
<b>AIRPORT ACTIVITY</b>								
Air Carrier Landings <sup>1</sup>	329	441	-25%	464	3,465	3,890	-11%	4,141
Passengers (emp/dep)	31,330			33,572	270,569			298,787
Total Cargo (in pounds)	75,694			94,128	779,683			817,956
<b>AIRCRAFT OPERATIONS</b>								
Commercial	1,014			1,132	10,446			11,109
General Aviation	3,509			2,796	28,626			25,754
Military	278			323	2,079			1,724
<b>TOTAL AIRCRAFT OPERATIONS</b>	<b>4,801</b>			<b>4,251</b>	<b>41,151</b>			<b>38,587</b>
<b>VEHICLE EXIT COUNT</b>								
Upper Short Term (1) Lot	2,238			1,990	18,979			17,815
Long Term (2) Lot	2,325			2,402	19,128			18,199
Lower Short Term (3) Lot	6,312			7,087	56,712			66,285
<b>TOTAL VEHICLE EXIT COUNT</b>	<b>10,875</b>			<b>11,479</b>	<b>94,819</b>			<b>102,299</b>

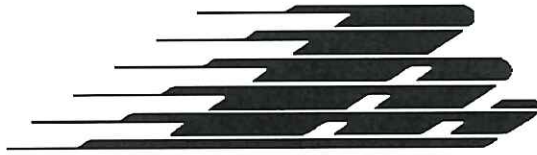
<sup>1</sup>Cancelled Flights: March = 18 (2 - Alaska / 0 - Allegiant / 4 - American Eagle / 2 - US Airways / 10 - United Express); FYTD = 319 (13 - Alaska / 0 - Allegiant / 26 - American Eagle / 19 - US Airways / 261 - United Express)

FINANCIAL INFORMATION	MARCH 15	MARCH 15		MARCH 14	YTD FY 15	YTD FY 15		YTD FY 14
	ACTUAL	BUDGET	%	ACTUAL	ACTUAL	BUDGET	%	ACTUAL
<b>BGT OPERATING REVENUE</b>								
<b>TERMINAL</b>								
CA Landing, Apron & RON Fees	58,725	61,150	-4%	60,340	517,358	508,157	2%	521,773
Rents	140,393	142,190	-1%	140,553	1,275,345	1,272,027	0%	1,243,810
TCP Operator Permits	650	750	-13%	689	7,010	6,910	1%	7,243
Taxi Operator Permits & Trip Fees	14,965	14,541	3%	14,672	121,068	124,537	-3%	126,431
Concessions	19,254	18,084	6%	18,087	117,360	115,935	1%	115,820
Rental Car	84,703	74,653	13%	73,914	806,154	787,955	2%	782,480
Parking	76,651	75,463	2%	68,292	607,200	612,095	-1%	554,766
<b>HEAVY GENERAL AVIATION</b>								
GA Landing Fees	21,310	18,466	15%	18,016	240,568	203,706	18%	198,737
FBO Rent	54,925	54,898	0%	53,394	494,325	494,082	0%	480,546
Fuel Fees	19,593	19,105	3%	17,627	236,655	216,585	9%	200,678
<b>LIGHT GENERAL AVIATION</b>								
	35,901	38,131	-6%	34,340	325,284	343,929	-5%	349,474
<b>NON AVIATION</b>								
	133,433	136,843	-2%	134,597	1,223,375	1,224,656	0%	1,120,025
<b>OTHER OPERATING REVENUE</b>								
	14,380	12,610	14%	15,324	236,315	191,404	23%	212,492
<b>INTEREST INCOME</b>								
	3,208	3,310	-3%	3,966	28,481	29,135	-2%	39,543
<b>TOTAL BGT OPERATING REVENUE</b>	<b>\$ 678,091</b>	<b>\$ 670,194</b>	<b>1%</b>	<b>\$ 653,810</b>	<b>\$ 6,236,499</b>	<b>\$ 6,131,113</b>	<b>2%</b>	<b>\$ 5,953,817</b>
<b>BGT OPERATING EXPENSE</b>								
Finance & Administration	145,002	149,601	-3%	160,345	1,543,874	1,551,161	0%	1,570,426
Planning & Development	36,245	40,948	-11%	51,982	278,690	380,461	-27%	365,423
Maintenance & Custodial Services	95,583	106,588	-10%	105,434	986,536	1,030,361	-4%	948,216
Airport Operations	38,600	44,946	-14%	36,007	366,918	390,530	-6%	364,551
Police Department	95,445	109,099	-13%	90,100	917,582	994,479	-8%	853,558
ARFF / Fire Service	144,189	148,476	-3%	154,378	1,320,847	1,317,811	0%	1,484,128
Board of Directors	7,339	10,246	-28%	17,022	215,214	220,361	-2%	88,732
Interest Expense	8,906	8,907	0%	9,885	83,149	83,149	0%	91,850
<b>TOTAL BGT OPERATING EXPENSE</b>	<b>\$ 571,310</b>	<b>\$ 618,811</b>	<b>-8%</b>	<b>\$ 625,154</b>	<b>\$ 5,712,810</b>	<b>\$ 5,968,313</b>	<b>-4%</b>	<b>\$ 5,766,885</b>
<b>BGT OPERATING INCOME / (LOSS)</b>	<b>\$ 106,780</b>	<b>\$ 51,383</b>	<b>108%</b>	<b>\$ 28,656</b>	<b>\$ 523,689</b>	<b>\$ 162,800</b>	<b>222%</b>	<b>\$ 186,932</b>
<b>DISTRICT CAPITAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 3,742</b>	<b>\$ 37,546</b>	<b>\$ 72,000</b>	<b>-47.9%</b>	<b>\$ 867,488</b>
<b>DEBT SERVICE - PRINCIPAL ONLY</b>	<b>\$ 23,000</b>			<b>\$ 21,833</b>	<b>\$ 205,000</b>			<b>\$ 196,500</b>

**MONTEREY PENINSULA AIRPORT DISTRICT**

	FY 2015 MARCH 2015 ACTUAL	FY 2015 YEAR-TO-DATE ACTUAL
<b>SOURCES AND USES OF CASH -- OPERATIONS</b>		
<b>SOURCES OF CASH</b>		
CASH RECEIVED - OPERATING REVENUE	\$ 674,883	\$ 6,208,018
CASH RECEIVED - INTEREST INCOME	3,208	28,481
CASH RECEIVED	<u>\$ 678,091</u>	<u>\$ 6,236,499</u>
<b>USES OF CASH -- OPERATIONS</b>		
CASH DISBURSED - OPERATING EXPENSE <sup>1</sup>	\$ 561,979	\$ 5,624,435
CASH DISBURSED - DEBT SERVICE (BOND INTEREST EXPENSE) <sup>2</sup>	8,906	83,149
CASH DISBURSED - DEBT SERVICE (PRINCIPAL REDUCTION) <sup>2</sup>	23,000	205,000
CASH DISBURSED	<u>\$ 593,885</u>	<u>\$ 5,912,584</u>
<b>CHANGE IN CASH POSITION FROM OPERATIONS &amp; DEBT SERVICE</b>	<u>\$ 84,205</u>	<u>\$ 323,915</u>
 <sup>1</sup> Net of non-cash operating expense (OPEB)		
<sup>2</sup> Moved to Restricted Account/Disbursement will occur in December 2014 & June 2015		
<b>USES OF CASH -- CAPITAL PROGRAM</b>		
CASH DISBURSED - DISTRICT CAPITAL PROJECTS <sup>3</sup>	\$ -	\$ 37,546
CASH DISBURSED	<u>\$0</u>	<u>\$37,546</u>
<b>CHANGE IN CASH POSITION FROM CAPITAL PROGRAM</b>	<u>\$ -</u>	<u>\$ (37,546)</u>
 <sup>3</sup> District-funded capital plan for FY15		
<b>CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL &amp; DEBT SERVICE</b>	<u>\$ 84,205</u>	<u>\$ 286,369</u>





**Monterey Peninsula Airport District**  
**Airport Capital Improvements / Capital Expenditures**  
**March 31, 2015**

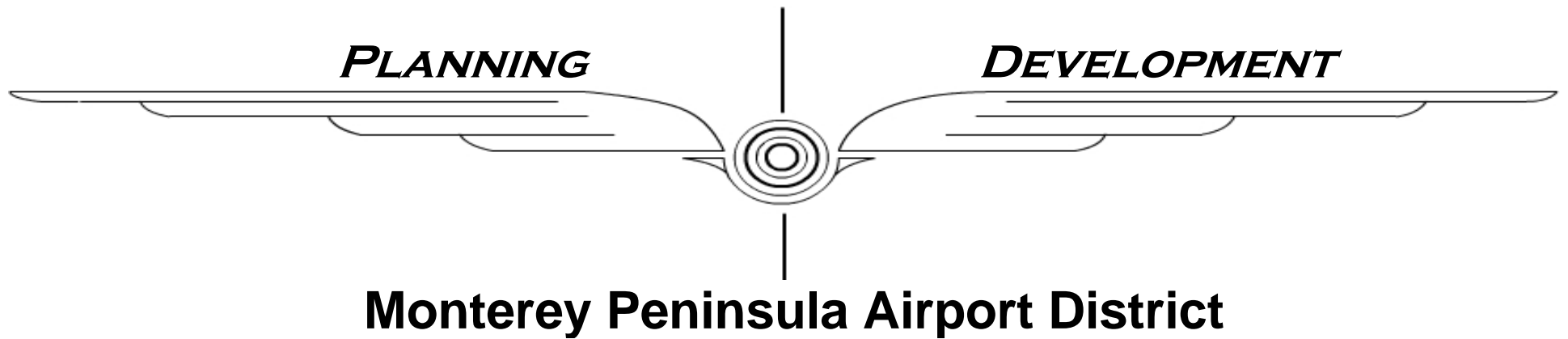
<b><u>Airport Improvement Programs</u></b>	<b>Actual FY 2015</b>		<b>Prior Fiscal Year</b>		<b>Actual FY 2015</b>		<b>Prior Fiscal Year</b>	
	<b>Current Period</b>		<b>Current Period</b>		<b>Year-To-Date</b>		<b>Year-To-Date</b>	
MPAD Expenditures	0.00	0.0%	3,742.00	0.4%	0.00	0.0%	827,290.44	35.6%
AIP -- FAA Funded Expenditures	4,235,813.19	95.0%	942,145.37	94.5%	20,601,441.57	94.9%	1,303,932.55	56.0%
AIP -- PFC Funded Expenditures	224,842.69	5.0%	50,605.70	5.1%	1,102,676.58	5.1%	195,634.77	8.4%
<b>Total Capital Improvement Expenditures</b>	<b>4,460,655.88</b>	<b>100%</b>	<b>996,493.07</b>	<b>100%</b>	<b>21,704,118.15</b>	<b>100%</b>	<b>2,326,857.76</b>	<b>100%</b>

<b><u>Capital Acquisitions / Expenditures By Department</u></b>								
Finance & Administration	0.00				0.00			
Planning & Development	0.00				0.00			
Maintenance & Custodial Services	0.00				0.00			
Airport Operations	0.00				0.00			
Police	0.00				37,546.21	100.0%	40,197.40	100%
Fire	0.00				0.00			
<b>Total Capital Acquisition Expenditures</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>	<b>0%</b>	<b>37,546.21</b>	<b>100%</b>	<b>40,197.40</b>	<b>100%</b>

<b><u>Consolidated</u></b>								
District Expenditures	0.00	0.0%	3,742.00	0.4%	37,546.21	0.2%	867,487.84	36.6%
AIP -- FAA Funded Expenditures	4,235,813.19	95.0%	942,145.37	94.5%	20,601,441.57	94.8%	1,303,932.55	55.1%
AIP -- PFC Funded Expenditures	224,842.69	5.0%	50,605.70	5.1%	1,102,676.58	5.1%	195,634.77	8.3%
<b>Total Capital Expenditures</b>	<b>4,460,655.88</b>	<b>100%</b>	<b>996,493.07</b>	<b>100%</b>	<b>21,741,664.36</b>	<b>100%</b>	<b>2,367,055.16</b>	<b>100%</b>

2015-02 Police Vehicle - Sedan	0.00				37,546.21			
2015-03 Pick-Up Truck - Maintenance	0.00				0.00			

**Monthly Capital Project Report**  
**May 2015**



FUNDING			BUDGETING				EXPENDITURES				STATUS			
PROJECT#	AIP #	PFC	Prior FY Budget	FY 2015 Budget	Post FY Budget	Total Project Budget	Spent in Prior Fiscal Years	FY 2015 Expenditures to Date	4/30/2015	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
<b>ACTIVE FEDERALLY FUNDED PROJECTS:</b>														
1	2012-01 and 2014-01	58, 61	10-15-C-00-MRY 11-17-C-00-MRY 13-18-C-00-MRY 14-19-C-00-MRY	\$6,847,008	\$29,223,954	\$15,007,846	\$51,078,808	\$6,847,008	\$23,671,129	\$30,518,137	60%	<b>RSA Runway 10R/28L - Construction; Phase 1 and 2</b>	Schedule I, II and III are completed and the east end EMAS was commissioned into service on 4/30/15. New 28L procedures were published on 4/30/15. New 28L Papi and Reil were commissioned on 4/28/15	West rwy end work will continue.
2	2013-02	59	13-18-C-00-MRY	\$690,000	\$632,008	\$162,236	\$1,094,980	\$402,727	\$401,324	\$804,050	80%	<b>Airport Master Plan</b>	All current working papers have been distributed to BOD; and available at MPAD website home page link (see Airport Master Plan Website). PAC meeting and public workshop were held on March 10.	Work continues on sustainability chapter and environmental data gathering. Tentative timing for next PAC meeting is July 2015
3	2015-03	Unk.	Unk.	\$0	\$1,094,980	\$0	\$1,094,980	\$0	\$0	\$0	0%	<b>Airport Infield Reconstruction Design</b>	Funding anticipated to be available only during last quarter of FY 15.	Environmental review underway (biological survey).
<b>ACTIVE DISTRICT FUNDED PROJECTS:</b>														
4	2015-01	N/A	N/A	\$0	\$42,000	\$0	\$42,000	\$4,000	\$0	\$6,698	100%	<b>ARFF Station Remodel Improvements</b>	Construction almost complete.	Completed.
5	N/A	N/A	N/A	\$14,148	\$17,045	\$10,307	\$99,000	\$85,436	\$0	\$85,436	n/a	<b>FWSS Mitigation Land Restoration</b>	Preparation and planting is complete at the off-airport site. Signage delineating status as habitat area has been installed.	Monitoring will continue through FY 2015, and into FY 2016.

**AGENDA ITEM: H**  
**DATE: May 13, 2015**

**TO:** Thomas E. Greer, General Manager  
**FROM:** Mark Bautista, Deputy General Manager, Planning & Development  
**DATE:** May 6, 2015  
**SUBJ:** Planning & Development Monthly Project Report

Attached is the current monthly Project Report for the Planning and Development Department. Highlights for April 2015 include:

- Work directed toward implementation of the Runway Safety Area (RSA) Project accomplished during the reporting period, including:
  - EMAS bed for the Rwy 10R departure end was commissioned into service on April 30, 2015.
  - All landscaping has been completed along Hwy 68 and the east end of Rwy 10R/28L.
  - FAA completed the installation of a new PAPI and REIL for Rwy 28L and that equipment was commissioned into service on April 28, 2015.
  - Rwy 28L new procedures were published on April 30, 2015.

RNAV(GPS) Y			
CATEGORY	A	B	C
FORMER	1600/60	1600/1½	1600/3
LNAV MDA	1353 <b>(1400-1¼)</b>	1353 <b>(1400-1½)</b>	1353 (1400-3)
NEW	1120/55	1120/60	1120/2½
LNAV MDA	863 <b>(900-1¼)</b>	863 <b>(900-1¼)</b>	863 <b>(900-1¼)</b>

RNAV(RNP) Z			
CATEGORY (A-B-C)	RNP 0.10 DA	RNP 0.15 DA	RNP 0.20 DA
FORMER	509/50 254 <b>(300-1)</b>	N/A	1236-3 981 (1000-3)
NEW	527/45 270 <b>(300-7/8)</b>	767 -1½ 510 (600-1½)	1236-3 979 (1000-3)

- Worked with GRC to provide a soil deposit staging area for the west end construction activity to minimize trucking activity through residential areas.
  - Eblast was sent out on April 30, 2015 (see attached).
  - Email correspondence was sent to the users of the Airport regarding the status of both the East end completion and the West end construction.
  - Maintenance of the project web site on the Internet.
- Work directed toward the Airport Master Plan (AMP), including:
    - Maintenance of the project web site on the Internet.
    - Staff meeting and public visioning session on possible sustainability goals.





Federal Aviation  
Administration

Thu, 30 Apr 2015 15:53:17

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### Selected NOTAMS

The following NOTAM list was selected by the user from a previous request. This list may not reflect all active NOTAMS for any of the below locations.

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Data Current as of: Thu, 30 Apr 2015 15:47:00 UTC

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**MRY MONTEREY RGNL ()**

IMRY 04/072 MRY RWY 10R ENGINEERED MATERIAL ARRESTING SYSTEM 389FT X 170FT DEP END COMMISSIONED 1504231230-PERM

Number of NOTAMS selected: 1      End of Report

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# Monterey Regional Airport

## Runway Safety Area (RSA) Improvements Project

### Project Updates



April 30, 2015

### Update #9 – Phase One

#### RSA Project More than Half Completed!

As of this week the east-end Phase One RSA project is complete. On April 30th the new pilot procedures were published and 28L is fully operational with the new threshold, markings and EMAS. Anyone who has driven by it on Highway 68 or been in Stonecreek Village knows what a huge endeavor it has been! Landscaping is almost complete and plants and trees will continue to fill in the area making the east end attractive and in keeping with the natural beauty along historic Highway 68.



Image# 150423022  
Flight Date: 04/23/2015  
Flight Time: 12:30 p.m.  
91400°/127°  
408.915.2650  
www.aharphotocentral.com



*“Making a Safe Airport Safer”*

MPAD, 200 Fred Kane Street, Monterey, CA 93940 831-648-7000

[www.montereyairport.com](http://www.montereyairport.com)

# Monterey Regional Airport

## Runway Safety Area (RSA) Improvements Project

### Project Updates



April 30, 2015

### Update #1 - Phase Two

But we aren't done yet! Now construction starts on the west end of the runway and contractor will construct very similar retaining walls to hold the EMAS while moving Runway 10R (west end) threshold 425 feet to the east. All of this construction will take a little under 9 months.

While Phase Two will not be visible from Highway 68, this phase may be more noticeable to neighbors near the west end. The Airport is making every effort to mitigate impacts to neighbors, especially traffic through neighborhood streets. The District has made sure that the primary staging area for Phase Two is not on the north side. However, neighbors need to be aware that there will be some traffic and occasional impacts over the next months.

The District will make every effort to keep neighbors apprised of major issues that could affect traffic or noise in the neighborhoods. The District also encourages neighbors to contact the Airport if they have any questions or concerns that cannot be answered by visiting the project website, [www.mryrsa.com](http://www.mryrsa.com).

MPAD understands that construction activities can have an impact on the Airport tenants, users and the community as a whole. We appreciate the continuing support and patience of local communities, neighbors, users and the traveling public as we make your MRY Airport even safer!



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**AGENDA ITEM:** I a. 2.  
**DATE:** May 13, 2015

**TO:** Board of Directors, Monterey Peninsula Airport District  
**FROM:** Tom Greer, General Manager (on behalf of the Finance Committee)  
**SUBJ:** Committee Report for Budget & Finance Committee Meeting

**BACKGROUND.** Since the last regular board meeting, the Budget & Finance Committee held one meeting. The agenda is presented below. Comments and notes are recorded separately (at the end of the agenda).

**SPECIAL MEETING OF THE BUDGET & FINANCE COMMITTEE  
BOARD OF DIRECTORS  
MONTEREY PENINSULA AIRPORT DISTRICT**

**May 6, 2015 1:30 PM**

**Boardroom, Terminal Building  
Monterey Regional Airport**

(Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the meeting.)

**A. CALL TO ORDER**

**B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS**

**C. PUBLIC COMMENTS**

(Any person may address the Monterey Peninsula Airport District Finance Committee at this time. Presentations should not exceed three (3) minutes, should be directed to an item **NOT** on today's agenda, and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Though not required, the Monterey Peninsula Airport District Board appreciates your cooperation in completing a speaker request form available on the staff table. Please give the completed form to the Monterey Peninsula Airport District Secretary. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.)

**D. REGULAR AGENDA – ACTION ITEMS**

- |        |    |  |
|--------|----|--|
| Review | 1. | March 2015 & FYTD (FY 2015) Financial Statements |
| Review | 2. | Accounts Receivable Aged Invoice Report          |
| Review | 3. | Cash Position Update                             |
| Review | 4. | Withdrawal from RISV Agreement                   |
| Review | 5. | Overview – FY 2016 Operating Plan                |
| Review | 6. | Draft FY 2016 Rates & Charges                    |

- |            |    |  |
|------------|----|--|
| Review     | 7. | Draft FY 2016 Salary Schedule                  |
| Review     | 8. | Draft FY 2016 Operating / Capital Plans        |
| Discussion | 9. | Future Agenda Items/Finance Committee Schedule |

**E. ADJOURNMENT**

**AGENDA DEADLINE**

This is the final Agenda that has been posted on the bulletin board outside the District Offices in the Terminal Building at the Monterey Peninsula Airport no less than 24 hours prior to the meeting.

**Notes/comments from 05/06/2015 Finance Committee Meeting:**

- The meeting was called to order by Chair Sabo at 1:35 p.m.
- The meeting was attended by board member Bill Sabo (board member Carl Miller was not available); staff members Tom Greer, Chris Morello, Tonja Posey, and Jerry Merritt were present.
- There were no communications or public comments.
- March 2015 & FYTD (FY 2015) Financial Statements:
  - ✓ Operating revenue was 1% (\$7,897) above plan for March,
    - Above plan were:
      - Taxi Operator Permits & Trip Fees,
      - Terminal Concessions,
      - Rental Car Concessions,
      - Parking Concession,
      - GA Landing Fees,
      - Fuel Flowage Fees, and
      - Other Operating Revenue, specifically:
        - Utility Charges,
        - Late Fees & Interest, and
        - Tenant Employee Parking, Decals & Badges.
    - On plan was:
      - FBO Rents
    - Below plan were:
      - Commercial Aeronautical Fees,
      - Terminal Rents,
      - TCP Operator Permits,
      - Light General Aviation (hangar rents),
      - Non-Aviation Rents, and
      - Interest Income.
    - Discussion centered on:
      - how positive March operating revenue was – with specific comments regarding rental car concessions – i.e. higher rental



- rates charged by rental car operators = increased gross receipts for the rental car operator = higher concession revenue to the airport,
      - the positive trend of GA landing fees (15% above plan for March & 18% above plan FYTD) and fuel flowage fees (3% above plan for March & 9% above plan FYTD), and
      - Will these upward trends continue into FY 2016?
- ✓ FYTD Operating Revenue was 2% (\$105,386) above plan
  - forecast for full-year FY 2015 is that operating revenue will be on plan
- ✓ March operating expense was 8% (\$47,501) below plan
  - staff answered questions regarding several expense lines in several departments asked by Director Sabo, specifically regarding:
    - Salaries & Wages (Admin),
    - Temporary Personnel (Admin),
    - Utilities - Water (Admin)
    - CalPERs Health Insurance (Maintenance),
    - Custodial Supplies & Materials (Maintenance)
    - General Supplies & Materials (Maintenance)
    - Maintenance Supplies & Materials (Maintenance), and
    - General Supplies & Materials (Police).
  - FC was again reminded that phasing plays a role (when was an expense planned versus actual execution),
  - FC talked about potential expenses that could occur between now and fiscal year end.
- ✓ FYTD Operating Expense was 4% (\$255,503) below plan
  - forecast for full-year FY 2015 is that operating expense will be right on (possibly slightly below) the plan number
- ✓ Operating income was 108% (\$55,397) above plan for March
- ✓ Operating income FYTD was 222% (\$360,889) above plan at 03/31/2015
  - FC was reminded that some of above plan operating income will erode as we progress through the final months of this fiscal year,
  - full-year FY 2015 operating income will be very close (and probably above) to plan
- Accounts Receivable Aged Invoice Report:
  - ✓ reviewed the distribution of aged receivables for the month of March,
  - ✓ reviewed the aged A/R detail as of 04/30/2015, and
  - ✓ answered questions regarding:
    - Allegiant, and
    - Forza Motors
- Cash Position Update:
  - ✓ cash position – net change was a positive \$84,205 for March, positive \$286,369 FYTD, and
  - ✓ staff answered questions regarding:

- the statement of cash flows for FYTD 03/31/2015 (that accompanied the income statement and balance sheet), and
    - the “FAA Grants Receivable” on the balance sheet for 03/31/2015.
  - ✓ the FC acknowledged that a small contribution to the District’s net position was being made,
  - ✓ due to the positive financial performance in FY 15, the Controller recommended that consideration be given to immediately purchasing (in FY 15) a second (used) truck for maintenance.
- Withdrawal from RISV Agreement:
  - ✓ presented the staff report, resolution and joint powers agreement regarding the regional incident support vehicle,
  - ✓ board member Sabo requested that the fire chief (of Monterey) write a letter to the board supporting withdrawal,
  - ✓ will be presented to the board for decision.
- Overview – FY 2016 Operating Plan:
  - ✓ presented draft paper “Assumptions Used to Formulate the FY 16 Profit Plan / Operating Budget and Capital Budget,
  - ✓ committee member took a few minutes to read through the document, and
  - ✓ a discussion ensued regarding the various segments of the plan.
- Draft FY 2016 Rates & Charges:
  - ✓ reviewed “draft Annex A to the rates and charges resolution” with the committee,
  - ✓ discussed the pros and cons to raising various rates, and
  - ✓ discussed what other airports are charging airlines.
- Draft FY 2016 Salary Schedule:
  - ✓ reviewed “draft salary resolution” with the committee,
  - ✓ admin assistants bargaining unit receives a 1% increase, and
  - ✓ a 1% increase will be extended to unrepresented (including management) employees.
- Draft FY 2016 Operating / Capital Plans
  - ✓ reviewed operating revenues,
  - ✓ reviewed operating expenses by department,
  - ✓ discussed why departmental expenses have and will change,
  - ✓ did not address capital plan in any detail.
- Future Agenda Items/Finance Committee Schedule:
  - ✓ as planned (at the previous finance committee meeting), a board/staff FY16 plan workshop had been scheduled for Wednesday, May 13, following the conclusion of regular board business at the regular meeting of the board of directors,
  - ✓ board member Sabo was concerned that having the workshop in conjunction with the regular meeting would allow insufficient time and requested that a separate, special board meeting be convened for the FY16 plan workshop,
  - ✓ reminded the finance committee that at the next FC meeting, MGO (external auditors) will meet with the FC,
  - ✓ scheduled the next FC meeting for Wednesday, June 3, at 10:00 a.m.,

- ✓ scheduled a special meeting (to conduct FY16 plan workshop) of the board of directors for Wednesday, June 3, at 1:30 p.m.
- Meeting adjourned by committee chair Sabo at 4:15 p.m.