

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

January 13, 2023 – 9:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the expiration of certain directives contained in the Governor's Declaration of Emergency for the State of California (Executive Order N-29-20), the Board of Directors of the Monterey Peninsula Airport District will return to hold meetings at the Airport Board Room, with in-person attendance.

Due to recent increase in the transmission of the Omicron variant of the Coronavirus, and, as a result of the directives issued by the State of California and the Monterey County Public Health Officer intended to prevent the transmission of the coronavirus, the Airport may utilize the procedures outlined in AB361 to utilize alternative measures related to the conduct of remote meetings and remote comments by members of the public.

Should the Board implement the measures outlined in AB 361, members of the public may participate in the Board meeting via Zoom video conference. Please visit www.zoom.us/join and enter the following Meeting ID: **819 0256 5346**. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID. Members of the public who wish to provide comment on an item on the agenda may do so during the meeting prior to the item being considered by the Board, as outlined below.

REMOTE PUBLIC COMMENTS

To make a public comment, the following options are available:

1. Before the Meeting via Email: Written comments can be emailed to info@montereyairport.com. Include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.
2. During the Meeting via Oral Comments: When the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Public comments may also be made in person. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment.

A. CALL TO ORDER/ROLL CALL

Chair Miller called to order the special meeting of the Monterey Peninsula Airport District Board of Directors at 9:03 AM. Directors Pick and Sabo were present. The following staff were present: Executive Director La Pier, District Counsel Huber, Deputy Executive Director Morello, and Controller Wilson. District Counsel Huber attended by Zoom videoconference.

B. PLEDGE OF ALLEGIANCE

Director Sabo led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Director Sabo expressed concern about the limited amount of time given to review the packet for today's meeting.

Director Leffel joined the meeting by Zoom videoconference at 9:07 AM.

There was no Public Comment.

Director Sabo made a motion to change the Regular Agenda Action Items D.1 and D.2 from Action Items to Presentations and to vote on these items at the next regularly scheduled board meeting. Executive Director La Pier reviewed the urgency related to the FAA grant schedule and other project dependencies. Director Sabo withdrew his motion.

D. REGULAR AGENDA - ACTION ITEMS

- Adopt 1. Resolution No. 1836, A Resolution Authorizing and Approving the 2023 Consolidated Master Lease and the Commercial Real Property Purchase Agreement Between Monterey Fuel Company, LLC And Monterey Peninsula Airport District

Executive Director La Pier introduced Items D.1 and D.2 as being inter-related, although each Resolution will be voted on separately.

Executive Director La Pier reviewed the history of the relationship with Monterey Fuel Company (MFC), and the multiple legacy agreements that are being consolidated into a Master Lease.

A break was taken at 9:20 AM.

The meeting resumed at 9:30 AM.

Executive Director La Pier reviewed the major points of negotiation leading up to the Consolidated Master Lease and the Commercial Real Property Purchase Agreement.

Director Sabo asked who would be responsible if there was any soil contamination once the old hangars are demolished. District Counsel Huber answered it is an ongoing responsibility of MFC and is covered in the agreement under Indemnifications.

District Counsel Huber reviewed the major points of the Consolidated and Restated Master Lease Agreement.

District Counsel Huber reviewed the surrender price and payment schedule for the compensation of MFC's vertical improvements at the current location and the "not to exceed" price and payment schedule for the purchase of the newly built hangars.

District Counsel Huber reviewed Exhibit B to the Purchase Agreement which is a Management Agreement that would become effective upon closing of the purchase of the hangars. Director Sabo asked questions about the management fee being paid to Monterey Fuel Company and expressed concern there could be a conflict of interest. Executive Director La Pier stated the hangars being built that will be owned by MFC are a different product than the ones that will be owned by the Airport.

Matt Wright, Monterey Fuel Company, spoke to how this agreement will help advance General Aviation development on the Airport while freeing up the land needed to relocate the terminal building. He explained that MFC wants all hangars to be full because hangar rent is only one part of the equation, with fuel and avionics also playing into the return on investment. Mr. Wright reviewed the contractor's qualifications and commitments for the build of the hangars.

Directors discussed the Agreements against the original proposed terms and asked questions of Mr. Wright and of District Counsel Huber.

No action was taken.

- Adopt 2. Resolution No. 1837, A Resolution Authorizing the Submittal of an Application and Execution of an Agreement with the California Department of Transportation

Controller Wilson reviewed the Airport's funding obligation for the surrender of the southeast vertical improvements and the purchase of the vertical improvements (hangars) on the north side. He reviewed the proposed plan to fund approximately \$10 million with a combination of unrestricted cash reserves, a CARES Act draw, and a Cal Trans Loan. He reviewed the capital costs of the proposed funding.

Directors discussed the presentation and asked questions of Controller Wilson. Controller Wilson reviewed the monthly cash flow analysis of three different scenarios. Executive Director La Pier reviewed the options with regards to building the proposed 100 x 100 "corporate" hangar.

Director Pick made a motion to defer the vote on both Item D.1 and D.2 until next Wednesday with the stipulation we eliminate the proposed term sheet. Director Leffel seconded the motion. Director Sabo asked Director Pick to amend the motion to also stipulate the Finance Committee will review the documents during their scheduled meeting next Tuesday. Director Pick accepted that amendment and Director Leffel seconded the amended motion.

The motion passed unanimously by a roll call vote of 4-0 with Sawhney absent.

Director Pick excused himself from the meeting.

E. ADJOURNMENT

The meeting adjourned at 11:52 AM.

Approved at the
Meeting of February 15, 2022



LisAnne Sawhney, Chair

ATTEST



Michael La Pier, AAE
District Secretary