

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

**April 13, 2016 10:00 AM**

**Board Room, 2<sup>nd</sup> Floor of the Airport Terminal Building  
200 Fred Kane Drive, 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**

**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 – 10:30AM 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 March 9, 2016](#)

Approve      2. [U.S. Enterprises, Inc d/b/a Corey Airport Services Agreement for Terminal Advertising Concession](#)

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

**G. ACCEPTANCE OF DEPARTMENT REPORTS**

(10:30AM – 10:45AM Estimated)

[\(The board receives department reports which do not require any action by the board\)](#)

## **H. REGULAR AGENDA – ACTION ITEMS**

(10:45AM-11:45AM Estimated)

- Presentation 1. [Northside Wells System – Options Analysis](#)
- Presentation 2. Update on the Plan to Cool the Terminal Holding Room
- Approve 3. [Resolution No. 1657, A Resolution of the Board of Directors of the Monterey Peninsula Airport District Upon the Retirement of Jerry Merritt Acknowledging Him for More Than Ten Years of Distinguished and Dedicated Service to the District](#)
- Approve 4. [Resolution No. 1658, A Resolution of the Board of Directors of the Monterey Peninsula Airport District Upon the Retirement of Mark Bautista Acknowledging Him for More Than Eleven Years of Distinguished and Dedicated Service to the District](#)
- Pass to Print 5. [Ordinance 918, An Ordinance of the Monterey Peninsula Airport District Regulating Electronic Smoking Devices on Monterey Peninsula Airport District Property](#)
- Approve 6. [Landlord's Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC](#)
- Adopt 7. [Creation/Elimination of Positions and Amendment to the 2016 Salary Schedule Listing Salary Ranges and Pay Steps for the Monterey Peninsula Airport District](#)
- Pass to Print 8. [Ordinance No. 919, An Ordinance of the Monterey Peninsula Airport District Regarding Telecommunications Improvements on Monterey Peninsula Airport District Property](#)

## **I. BOARD COMMITTEE REPORTS**

(11:45AM –12:00PM Estimated)

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

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

**J. CLOSED SESSION**

(1:00PM –1:30PM Estimated)

1. **ANTICIPATED LITIGATION** (Government Code Section 54956.9(d)(2)) the Board will meet with the Executive Director and District Counsel regarding anticipated litigation – one case.

**K. RECONVENE TO OPEN SESSION**

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

- *Eastside Parkway Road*
- *Customs and Border Protection*
- *Instrument Landing System*
- *Letter to Congress regarding FAA Reauthorization*

**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 Friday 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**

**March 9, 2016 10:00 AM, BOARD ROOM**

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

*Chair Leffel called to order the Regular Meeting of the Board of Directors at 10:01am. Directors Miller, Nelson, Sabo and Searle were present. The following District officers were present: Executive Director La Pier, District Counsel Huber, Acting Board Secretary Porter and Auditor Merritt.*

**B. PLEDGE OF ALLEGIANCE**

*Director Sabo led the Pledge of Allegiance.*

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

1. Achievement of Accredited Airport Executive Status

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

*Mike La Pier, Executive Director, presented Item C.1, congratulating Mark on his commitment and accomplishment. Chair Leffel presented Mark with a AAEE award and also offered congratulations on behalf of the Board of Directors.*

**D. PUBLIC COMMENTS**

*None.*

**E. CONSENT AGENDA – ACTION ITEMS**

Approve      1. Minutes of the Regular Meeting of February 10, 2016

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

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

**G. ACCEPTANCE OF DEPARTMENT REPORTS**

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

**H. REGULAR AGENDA – ACTION ITEMS**

Presentation    1. Aviation Fuel Tax by Jim Lites, California Airports Council

*Jim Lites, California Airports Council, presented Item H.1.*

Presentation    2. 75<sup>th</sup> Anniversary Marketing and Public Relations Plan

*Jennifer Hickerson, Monterey Regional Airport, and Chris Chidlaw, Chidlaw Marketing, presented Item H.2.*

*Michael La Pier, Executive Director, asked the Board to consider moving the Closed Session portion of the meeting to take place between Items H.2 and H.3 for purposes of availability.*

*Director Nelson moved to change the Agenda based on the Executive Director's request. Director Miller seconded the motion. The motion passed unanimously.*

**J. CLOSED SESSION**

1. **ANTICIPATED LITIGATION** (Government Code Section 54956.9(d)(2)) the Board will meet with the Executive Director and District Counsel regarding anticipated litigation – two cases.

**K. RECONVENE TO OPEN SESSION**

*Chair Leffel reported that action was taken during closed session. The Board directed staff to place the topic of moving from at large elections to district elections on the April Agenda for consideration.*

**H. REGULAR AGENDA – ACTION ITEMS (CONTINUED)**

- Approve      3. U.S. Enterprises, Inc d/b/a Corey Airport Services Agreement for Terminal Advertising Concession

*Michael La Pier, Executive Director, presented Item H.3.*

*Director Miller moved to approve U.S. Enterprises, Inc d/b/a Corey Airport Services Agreement for Terminal Advertising Concession. Director Nelson seconded the motion. Director Sabo moved to amend the contract to modify the terms of Item 13.1.E (Cancellation by Concessionaire) to allow for more protection for the airport. Director Miller modified his original motion to adhere to Director Sabo's amendment. Director Sabo seconded the modified motion. Chair Leffel suggested that staff work with the concessionaire to make the proposed changes and bring the amended contract back to the Board next month. Director Miller withdrew his motion in favor of bringing the contract back at a later time. Director Sabo agreed.*

- Adopt      4. Resolution No. 1656, Establishing an Air Carrier Incentive Program for New and Expanded Air Carrier Service at Monterey Regional Airport

*Michael La Pier, Executive Director, presented Item H.4.*

*Director Sabo moved to adopt Resolution No. 1656. Director Miller seconded the motion. The motion passed by a roll call vote of 5-0.*

**RESOLUTION NO. 1656**

**A RESOLUTION EXTENDING THE AIR CARRIER INCENTIVE PROGRAM FOR NEW AND EXPANDED AIR CARRIER SERVICE AT MONTEREY REGIONAL AIRPORT**

**WHEREAS**, the Monterey Peninsula Airport District (MPAD) as an FAA Airport Sponsor desires to properly structure and administer an Air Carrier Incentive Program in accordance with FAA statutes to enhance air carrier service and increase traffic at the Monterey Regional Airport (MRY), and

**WHEREAS**, the FAA defines "incentive" as any fee reduction, fee waiver, or use of airport revenue for acceptable promotional costs where the purpose is to encourage an air carrier to increase service at the airport, and

**WHEREAS**, the FAA allows Airport Sponsors to offer incentives to air carriers for new service defined as (1) service to an airport destination not currently served, (2) a new entrant carrier, and/or (3) added flights to increase the frequency of flights to a specific destination, and

**WHEREAS**, the Airport Sponsor in an Air Carrier Incentive Program must identify (1) the marketing incentives that will be offered, (2) the new service it is seeking, and (3) an end date or timeframe for the Air Carrier Incentive Program, and

**WHEREAS**, the following offer of incentives is consistent with the mission and purpose of the Monterey Peninsula Airport District, is deemed to be in the best public interest, and is designed pursuant to the guidance provided by the FAA Office of Airports in its Air Carrier Incentive Program Guidebook, September 2010.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Monterey Peninsula Airport District as Airport Sponsor for the MRY Air Carrier Incentive Program shall offer the marketing incentives set forth below:

1. For new service to SEA (Seattle, WA), SLC (Salt Lake City, UT), DFW (Dallas/Ft. Worth, TX), DEN (Denver, CO) and/or Mexico, airport destinations not currently served by an incumbent airline (now serving MRY) or a new entrant:  
During the first year of air carrier service:
  - a. The waiver of landing fees, and
  - b. The costs of marketing and promotional activities equivalent to \$35,000.
2. For one additional flight (to increase the frequency of flights) by American Airlines to PHX (Phoenix, AZ) and/or by Alaska Airlines to San Diego (SAN):  
During the first year of air carrier service:
  - a. The waiver of landing fees, and
  - b. The costs of marketing and promotional activities equivalent to \$20,000.
3. MPAD will use its best efforts to seek marketing and promotional assistance (1) from the paired city and (2) from local community partners (chambers of commerce), industry groups, and private sources.

**AND, BE IT FURTHER RESOLVED THAT** the Air Carrier Incentive Program shall begin on April 1, 2016 and shall end on March 31, 2018

**ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT** this 9<sup>th</sup> day of March, 2016, by the following roll call vote:

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

Approve 5. Board Attendance at Future Conferences

*Michael La Pier, Executive Director, presented Item H.5.*

*Director Sabo moved to approve Director Miller, Nelson and Searle's attendance at the ACI-NA World Conference and Exhibition from September 25-28, 2016 in Montreal, QC and Director Sabo's attendance at the NBAA Schedulers and Dispatchers Conference from February 7-10, 2017 in Ft. Worth, Texas. Director Miller seconded the motion. The motion passed unanimously.*

Approve 6. Landlord's Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC

*Scott Huber, District Counsel, presented Item H.6.*

*Director Sabo moved to approve Item H.6. Director Nelson seconded the motion. The motion passed by a roll call vote of 5-0.*

Presentation/ Discussion 7. Potential Regulation of Electronic Cigarettes

*Scott Huber, District Counsel, presented Item H.7. The Board recommended that staff add electronic cigarettes onto the preexisting regulations of cigarettes.*

## **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 Leffel & Nelson |
| ii. Budget and Finance                           | Directors Sabo & Leffel   |
| iii. Air Service, Marketing, Community Relations | Directors Miller & Nelson |

### **b. Ad-Hoc Committees:**

- |   |                           |
|---|---------------------------|
| i. Community Affairs                      | Directors Sabo & Leffel   |
| ii. Airport Property Development & Leases | Directors Nelson & Miller |
| iii. Noise Mitigation                     | Directors Sabo & Nelson   |

### **c. Liaison/Representatives:**

- |   |                 |              |
|---|-----------------|--------------|
| i. Local Agency Formation Commission            | Director Leffel | Alt: Searle  |
| ii. Regional Taxi Authority                     | Director Leffel | Alt: La Pier |
| iii. Transportation Agency for Monterey County  | Director Sabo   | Alt: Nelson  |
| iv. Water Management District (Policy Advisory) | Director Leffel | Alt: Searle  |
| v. Special Districts Association Liaison        | Director Miller |              |

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

- *Update on the plan to cool the terminal holding room*
- *Eastside Parkway Road*
- *Dig Once Policy Resolution*
- *Customs and Border Protection*

- *Instrument Landing System*
- *Letter to Congress regarding FAA Reauthorization*

**M. DISCUSSION OF FUTURE AGENDAS**

*No new items were added.*

**N. ADJOURNMENT**

*The meeting adjourned at 4:02pm.*



**TO:** Michael La Pier, Executive Director  
**FROM:** Jennifer Hickerson, Marketing and Public Relations Coordinator  
**SUBJ:** U.S. Enterprises, Inc. d/b/a Corey Airport Services Agreement for Terminal Advertising Concession

**BACKGROUND.** This agreement was presented at the March meeting. The Board directed staff to work with the concessionaire to amend the contract to modify the terms of Item 13.1.E (Cancellation by Concessionaire) to allow for more protection for the airport. District Counsel Huber made the recommended changes and they were approved by the concessionaire. It is presented with changes for approval.

**IMPACT ON OPERATIONS.** None.

**IMPACT ON OPERATING REVENUE.** None.

**OPERATING BUDGET IMPACT.** None.

**CAPITAL BUDGET IMPACT.** None.

**RECOMMENDATION.** By motion, approve U.S. Enterprises, Inc d/b/a Corey Airport Services agreement for the Terminal Advertising Concession.

CONCESSION AGREEMENT  
BETWEEN THE  
MONTEREY PENINSULA AIRPORT DISTRICT  
AND  
U.S. ENTERPRISES, INC. d/b/a  
COREY AIRPORT SERVICES  
FOR  
TERMINAL ADVERTISING CONCESSION

**CONCESSION AGREEMENT**  
**U.S. ENTERPRISES, INC. d/b/a**  
**COREY AIRPORT SERVICES**  
**TERMINAL ADVERTISING CONCESSION**

This concession Agreement, hereinafter referred to as "Agreement", made and entered into effective this 9th day of March, 2016, by and between the Monterey Peninsula Airport District, under the laws of the State of California, hereinafter referred to as the "Airport", and U.S. Enterprises, Inc. d/b/a Corey Airport Services, which is qualified to do business in the State of California, hereinafter referred to as the "Concessionaire."

**WITNESSETH:**

WHEREAS, the Monterey Peninsula Airport District is the authority responsible for oversight of the Monterey Regional Airport, herein after referred to as "The Airport"; and,

WHEREAS, the Concessionaire is a corporation engaged in the business of operating airport terminal advertising concession similar in nature to that proposed at the Airport, and

WHEREAS, the Airport wishes to grant the Concessionaire the exclusive right to operate in Airport's terminal advertising concession at the Airport under an Agreement containing mutually satisfactory terms and covenants.

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, privileges, obligations and agreements herein contained, the Airport and the Concessionaire hereby mutually undertake, promise and agree, each for itself and its successors and assigns as follows:

## **Article I**

### **DEFINITIONS**

- 1.1 “Agreement”, as used herein, contemplates and includes the Airport – locations (referred to henceforth as Assigned Areas) and permission for Concessionaires to use such Airport locations for the conduct of an airport terminal advertising concession within said Airport locations under the terms and conditions expressly set forth herein.
- 1.2 “Airport Terminal” and “Terminal” shall mean the Terminal Building and any future terminal(s) built to expand or replace the existing terminal facility at the Monterey Regional Airport in use as of the date of the execution of this Agreement.
- 1.3 “Assigned Area” is the area or areas of the Airport Terminal designated by this Agreement and the Exhibits thereto as the place or places where the business of the Concessionaire may be conducted.
- 1.4 “Airport” shall include such public officials and public bodies as may, by operation of law, succeed to any or all for the rights, powers or duties which lawfully reside in the Monterey Peninsula Airport District.
- 1.5 “Beneficial Occupancy” shall occur when the Concessionaire has occupied the facilities of the terminal.
- 1.6 “Gross Revenue” as used herein shall be construed to include all monies paid to or payable to Concessionaire for sales made and for services rendered at or from the airport, regardless of when or where the order therefore is received or delivered, whether on a cash basis or credit, provided however that the term “gross revenues” shall exclude the following:
  - 1.6.1 Any amount paid by advertisers in connection with design, fabrication or installation of the advertiser’s display.
  - 1.6.2 Any amount paid by the advertiser to Concessionaire for data connection and telephone service, including technical maintenance and content management fees for digital displays.
  - 1.6.3 Quantity purchase discounts allowed.
  - 1.6.4 Amounts owed which are deemed uncollectible by concessionaire after prudent collection efforts.
  - 1.6.5 Any and all taxes imposed by law during the contract term.

- 1.6.6 Any agency fees actually paid to a bona fide advertising agency not affiliated with Concessionaire in an amount not to exceed fifteen percent (15%).
- 1.7 "Percentage Payment" is the sum of money due Airport on accounts of Airport's share of Gross Revenue as hereinafter provided.
- 1.8 "Administrator" shall mean the Administrator or Acting Administrator of the Monterey Regional Airport as from time to time appointed by the Monterey Peninsula Airport District and shall include such person or persons as may from time to time be authorized in writing by the Monterey Peninsula Airport District or by the Administrator to act for him with respect to any or all matters pertaining to this Agreement.

## **Article II.**

### **TERM**

- 2.1 This Agreement shall become effective at execution. The term of this Agreement shall be for ten (10) years commencing on November 1, 2016 and ending ten (10) years thereafter. The Airport and Corey Airport Services shall have the mutual option to extend this agreement for one separate ten year term subject to all the other terms and conditions of this agreement. The transition term shall commence on the date of Beneficial Occupancy and end on October 31, 2016. During the transition term, all terms and conditions of this Agreement shall apply except for the fee due the Airport which, during the transition term, will be based on the percentage rent only with no Minimum Annual Guarantee.

## **Article III**

### **PRIVILEGES AND OBLIGATIONS OF THE CONCESSIONAIRE**

- 3.1 The Airport hereby grants to Concessionaire the exclusive right to operate, maintain and provide the Airport's terminal advertising concession.
- 3.2 Concessionaire shall develop and maintain a comprehensive advertising program totally integrated and coordinated as to design, quality and content for the Airport. Under this program, Concessionaire shall establish, operate, service and maintain prime quality, expertly designed commercial advertising displays, including but not limited to, self-contained floor exhibits, diorama, 3' vertical edge lit Displays, 7' edge lit displays, tension fabric display, outdoor double sided banner, car and boat displays LCD screens and other

forms of advertising which may be approved to provide, continuously during the period of this Agreement, an attractive and profitable means for the graphic display of materials, articles and service of various manufacturers, industries, companies and persons.

- 3.3 All installations shall be in good taste, professionally developed and present so as to be inoffensive to the general public and of such high caliber to contribute to the establishment of the airport's facilities as prestige locations for commercial advertising media.
- 3.4 The specific locations for display will be selected and approved by the Executive Director as indicated on Exhibit "A" attached hereto with revisions as mutually agreed upon to be attached and substituted as Exhibit "A" as the need dictates. All locations selected are subject to relocation at any time at the Airport's discretion. Should the Airport, its architect and the Concessionaire disagree on any advertising locations, the Airport's decision shall be final. However, it is the intention between the parties that the Airport shall provide sufficient acceptable advertising locations to allow Concessionaire to meet its airport, equipment and service costs. Should the Airport request the relocation of advertising, the Airport will reimburse the Concessionaire for the reasonable cost of relocating.
- 3.5 Concessionaire shall be responsible for the commercial advertising program within Assigned Areas at the airport and shall apply to that program the fiscal and administrative resources of its sales organization. Through its national and regional organization, Concessionaire shall use its best efforts to:
  1. Develop, on continuing basis, integrated master plans for advertising at the airport.
  2. Follow quality criteria which will recognize the need for integrity of design and advertising content appropriate to the prestige and dignity of the Monterey Regional Airport.
  3. Practice space utilization planning which will recognize and meet the needs of all advertising classifications and insure maximum revenue return to the Airport consistent with the scope and integrity of the advertising master plan.
  4. Provide, through its local and regional representatives and perform continuing liaison between the national sales staff and the Airport to assure that the Monterey Regional Airport Program is an integral part of the Concessionaire's national commercial advertising master plan.

5. Provide a sales organization with ability and experience of sufficient scope to solicit and sell local, regional and national advertising for display at the airport with a primary emphasis on local advertising.
  6. Supply and disseminate promotional material for the sale and use of display media for local and national advertising.
  7. Supply advertising and display units and facilities which are consistent with the approved architectural design plan for advertising at the airport's terminal structures and other facilities. Concessionaire will provide, at its sole cost and expense, the new equipment set out in future agreed upon plans and specifications.
- 3.6 Concessionaire shall pay all expenses associated with planning, implementing and operating the program provided for in this Agreement EXCEPT as may be set forth elsewhere herein.
- 3.7 No advertising or displays reasonably considered offensive by the Airport may be presented to the public. The Concessionaire will promptly remove or modify the presentation of any advertising or display items if so directed by the Airport.
- 3.8 The Concessionaire has the rights to ingress and egress from its Assigned Areas over Airport roadways, including common use roadways, subject to any rules or regulations which may have been established or shall be established in the future by the Airport, local Government or the State of California. Such rights of ingress and egress shall apply to the Concessionaire's employees, guests, patrons, invitees, suppliers and other authorized individuals.
- 3.9 The Airport shall provide parking facilities to the Concessionaire's employees in common with employees of other concessionaires and uses of the Airport. Visiting service personnel shall park in area designed as loading zone.
- 3.10 The Concessionaire may utilize additional storage space identified by the Airport as available for such purposes if space is available at the Airport's option, and at the then-standard terminal rental rate..
- 3.11 The Concessionaire has the right to install and maintain appropriate signs in the Assigned Areas provided that the design, installation and maintenance of such signs shall be consistent with the Graphic Standards and Policies of the Airport as they may be

developed and amended and shall have the written approval of the designated airport representative prior to installation.

## **Article IV**

### **ADVERTISING STANDARDS**

- 4.1 The Concessionaire agrees to use the Assigned Areas solely for the sale, placement and display of advertising products and shall use its best efforts in every proper manner to maintain, develop and increase the sales of advertising developed hereunder.
- 4.2 The Concessionaire shall submit annually to the Airport, upon request, a schedule of monthly rates to be applied to the advertising locations, which will be subject to revision by Concessionaire only with concurrence of the Airport, with the understanding that advertising locations shall be subject to quantity purchase discounts and to the standard sales/advertising agency deduction or commission.
- 4.3 All advertising material, advertisements and manner of presentations shall be subject to approval by the Airport, in so far as the Airport may legally do so. Concessionaire shall immediately remove from the airport premises at its sole cost and expense upon written demand of the Airport any item which is disapproved. In the event that such disapproved matter is not removed immediately upon receipt of written demand, the Airport may remove said material or display and Concessions shall pay any warehouse or storage rental incurred by such action. The Airport or its representatives shall not in any way be held responsible or liable for any damage to the equipment or material so removed. Such refusal on the part of Concessionaire to remove said material or display may at the option of the Airport be considered a default under this Agreement, which shall not be considered as waived by the action of self-help on the part of the Airport.
- 4.4 Questions or complaints regarding the quality of service and/or prices, whether raised by patrons' complaints, clients complaints or on the Airport's own initiative or otherwise, may



be submitted to Concessionaire for response. Such response shall be provided by Concessionaire within ten (10) working days.

- 4.5 At the Executive Director's request, Concessionaire shall meet with the Airport to review any complaints or concerns and to promptly correct any deficiencies. The Executive Director's reasonable determination as to quality of operation or services shall be conclusive and curative measures shall be implemented by Concessionaire as expeditiously as possible.
- 4.6 All advertising copy, equipment and other items used in the Concessionaire's operation shall conform in all respects to federal, state and local law, orders and regulations.
- 4.7 The Executive Director may, at his discretion, request the name of all purveyors used by Concessionaire.
- 4.8 Concessionaire must, at its own expense, identify, provide and maintain in force any and all licenses and permits for the legal operation of all aspects of the Concession.
- 4.9 Should a conflict arise between the Concessionaire and other concession operators at the Airport regarding the scope of concession privileges, the Executive Director's decision on the matter shall be final and conclusive. The Concessionaire agrees to abide by the Executive Director's decision.

## **Article V**

### **IMPROVEMENTS BY AIRPORT**

- 5.1 The Airport shall provide finished and/or unfinished floors, walls and ceilings for the Assigned Areas at the Airport's sole discretion.
- 5.2 All permanent improvements, as defined by California law, will be considered an integral part of the Terminal and title to such permanent improvements will vest in the Airport upon termination or expiration of this Agreement, free and clear of any liens or encumbrances whatsoever.
- 5.3 The Airport will be responsible for the following:

- a. All partitions about the perimeter of the Assigned Areas, all structural walls and supports, all structural roof construction, all structural floor construction and all exterior window walls designed about the perimeter of the Assigned Areas.
  - b. All required electrical to all approved sign and display locations indicated in the attached layout to this contract and any agreed upon added or amended locations agreed upon by both parties. An abatement of fees would apply if there was a loss of electricity for more than seven days or a case was visually obstructed and concessionaire issued credits to advertisers for loss of exposure.
- 5.4 Concessionaire will be responsible for the internal connections of signs and displays only.

## **Article VI**

### **IMPROVEMENTS BY CONCESSIONAIRE**

- 6.1 Prior to Beneficial Occupancy, and upon approval from the Executive Director, the Concessionaire may enter the Assigned Area of the terminal or any portion thereof. The Concessionaire shall, without cost to the Airport, provide the Assigned Area with all improvements necessary for the customary operation of such advertising services in a first class manner.
- 6.2 All structural improvements, equipment and interior design and décor constructed or installed by the Concessionaire, its agents or contractors, including the plans and specifications, shall conform to all applicable statutes, ordinances, building codes and rules and regulations.
- 6.3 One (1) set of final plans and specifications as approved for the Assigned Areas within the terminal must be submitted to the Airport. Work or construction shall not commence until written approval from the Executive Director is received and the plans are approved.
- 6.4 The Executive Director shall, within fourteen (14) days of receipt of any plans, either approve or disapprove the plans and/or specifications submitted by the Concessionaire. Approval by the Executive Director of any plans and specifications refers only to the conformity of such plans and specifications to the general architectural and aesthetic plan for the Assignment Areas and such approval shall not be unreasonably withheld. Such plans and specifications are not approved for architectural or engineering design or

compliance with applicable laws or codes and Airport, acting through its Executive Director by approving such plans and specifications, assumes no liability or responsibility hereof for any defect in any structure or improvement constructed according to such plans and specifications. The Executive Director reserves the right to reject any design submitted and shall state the reason for such action.

- 6.5 In the event of rejection by the Executive Director, the Concessionaire has fourteen (14) days to submit necessary modifications and revisions.
- 6.6 No changes or alterations shall be made to said plans and specifications after approval by the Executive Director. No structural alterations or improvements shall be made to or upon the Assigned Area without the prior written approval of the Executive Directors. One reproducible final copy of the plans for all improvements or subsequent changes therein or alterations thereof to the Assigned Areas shall be signed by the Concessionaire and submitted to the Executive Director within ninety (90) days following completion of the installation.
- 6.7 All improvements made by the Concessionaire to the Assigned Areas shall be of high quality. Furthermore, they shall be safe, fire resistant, and attractive in appearance and shall require written approval of the Executive Director prior to installation.
- 6.8 The Concessionaire shall submit a schedule depicting the estimated time required to complete the construction or installation of approved improvements, facilities and equipment for the terminal advertising concession herein granted.
- 6.9 Upon written "Notice to Proceed" from the Executive Director, the Concessionaire shall immediately begin construction and installation of the approved improvements, facilities, furnishings and equipment in the Assigned Areas and pursue the same to completion, within one hundred twenty (120) days of such approval. However, any delay in construction due to fire, earthquake, wars, acts of the Airport or one of the Airport's contractors, or other calamity beyond the control of the Concessionaire shall reasonably extend the time within which such construction and installation shall be completed.
- 6.10 The Concessionaire shall, in conjunction with its architect-engineer, and the Executive Director, develop a project schedule for the terminal advertising improvements to assist in the incorporation of the schedule into the overall terminal operation.

- 6.11 The Concessionaire and its architect-engineer shall meet with the Executive Director in periodically scheduled meetings to assess the current status of completion.
- 6.12 All permanent improvements made to the Assigned Areas and additions and alterations thereto made to the Assigned Areas by the Concessionaire shall be and remain the property of the Concessionaire until the expiration of the term of this Agreement (whether by expiration of the term, cancellation, forfeiture or otherwise, whichever occurs first); at which time the said improvements shall become the property of the Airport, provided, however, that any trade fixtures, displays and other possessions not permanently affixed to the Assigned Areas, which shall include freestanding displays shall remain the property of the Concessionaire, unless Concessionaire shall fail within thirty (30) days following the termination of this Agreement, described in paragraph 14.13, as the case may be, to remove its trade fixtures, signs and other possessions of Concessionaire not permanently affixed to the Assigned Area in which event, at the option of the Airport, title to same shall vest in Airport at no cost to Airport or Airport may elect to exercise its rights set forth in Paragraph 14.6 of this Agreement.
- 6.13 Upon completion of improvements to the Assigned Areas outlined hereinabove, the Concessionaire shall have the right to install or erect additional, non-structural improvements in the Assigned Areas; provided however, that all such alterations be commenced only after plans and specifications thereof have been submitted to and approved in writing by the Executive Director. Any such alterations and/or repairs shall be without cost to Airport within the time specified in written approval and with the least disturbance possible to the operation of the new terminal and to the public.
- 6.14 The ultimate control over the quality and acceptability of the finishes in the Assigned Area will be retained by the Airport, and all improvements and finishes shall require the written approval of the Executive Director prior to the installation.
- 6.15 Upon completion of construction, the Concessionaire must provide the Airport with a certification that the improvements have been constructed in accordance with the approved plans and specifications, and in strict compliance with all applicable building codes, laws, rules, ordinances and regulations.
- 6.16 The Concessionaire shall not remove or demolish, in whole or in part, any improvements upon the Assigned Areas without the prior written consent of the Executive Director, which may be conditioned upon the obligation of Concessionaire to replace the same by an

improvement specified in such consent. The Executive Director shall not withhold consent unreasonably and shall not impose unreasonable conditions and shall state the reasons for withholding consent.

- 6.17 For the work contemplated under this Agreement, the Concessionaire shall provide all labor, supervision, materials, supplies and transportation necessary to supply self-contained floor exhibits, tension fabric displays, outdoor double sided banner, car and boat displays, digital screens and other forms of advertising which may be approved to provide. The Concessionaire shall have the right to negotiate and have input as to the location for advertising displays in the terminal.

## **Article VII**

### **PRIVILEGE FEES, CHARGES AND ACCOUNTABILITY**

- 7.1 Commencing November 1, 2016, Concessionaire agrees to pay a monthly rent that is the greater of Minimum Annual Guarantee ("MAG") or a percentage rent based upon gross sales. The MAG shall be \$ 3,400 per month and the percentages of Gross Revenues received from direct and indirect advertising at MYR are as follows:

Monthly Revenues up to	\$10,000	35%
Monthly Revenues between	\$10,001 - \$15,000	38%
Monthly Revenues between	\$15,001 - \$25,000	42%
Monthly Revenues exceeding	\$25,000	44%

As an example, if the Gross Revenues during the month total \$15,200, the percentage rent payable to the Airport would be 35% of the first \$10,000, 38% of the next \$5,000 and 42% of the final \$200. All such payments shall be due on the twentieth (20<sup>th</sup>) calendar day of the month immediately following the month in which Gross Revenues were generated.

- 7.2 Concessionaire shall furnish to the Airport each month a statement showing total Gross Revenue, as defined herein, for the preceding month. With each monthly statement, the

Concessionaire shall remit to the Airport either the above stated monthly MAG or percentage of its Gross Revenue derived through the end of the preceding month. Concessionaire's monthly payments of the MAG and percentage rent each year for the period of November 1<sup>st</sup> through October 31<sup>st</sup> shall be computed and reconciled on an annual basis on or before the 31<sup>st</sup> day of January of each year during the term of the agreement, beginning on January 31, 2018.

- 7.3 The Airport shall pay for all electrical service provided to the Assigned Areas. Concessionaire shall pay for all telephone service and/or internet and data services to the Assigned Areas, which sums are to be deducted from Gross Revenues. It is the understanding of the parties that no other utilities shall be applicable to the Assigned Areas.
- 7.4 The Concessionaire shall keep full and accurate books and records showing all of its said Gross Revenue, and the Airport shall have the right, through its representatives, and at all reasonable times, to inspect all such records as may be necessary to verify the Gross Revenue, as reported. The Concessionaire agrees that all such records and instruments are and shall be made available at Concessionaire's office location for at least two (2) year period following the end of each annual period of this Agreement.
- 7.5 The Concessionaire shall furnish a written statement to the Airport stating that the Percentage Payment paid by the Concessionaire to the Airport during each Concessionaire's fiscal years pursuant to this Agreement is accurate. Such statement shall also contain Gross Revenues as shown on the books and records of Concessionaire that were used to compute the Percentage Payment made to the Airport during the period covered by the statement. Within ninety (90) days of the last day of the concessionaire's fiscal year, this statement shall be complete and a copy shall be furnished to the Airport.
- 7.6 Without waiving any other right of action available to the Airport in the event of default in payment of any and all fees or charges hereunder, in the event that Concessionaire is delinquent for a period of fifteen (15) days or more in paying to the Airport any fees payable to the Airport pursuant to this Agreement, the Concessionaire is delinquent for a period of fifteen (15) days or more in paying to the Airport any fees payable to the Airport pursuant to this Agreement, the Concessionaire shall pay to the Airport interest thereon at the rate of 1% per month from the date such item was due and payable until paid. Such interest

shall not accrue with respect to disputed items being contested in good faith by Concessionaire.

- 7.7 The Airport reserves the right to audit the Concessionaire's books and records of Gross Revenue at any time for the purpose of verifying the Gross Revenue hereunder. If, as a result of such an audit, it is established that the Concessionaire has understated the Gross Revenue received by it from all operations on the Assigned Areas by ten percent (10%) or more (after the deductions and exclusions provided herein) during the previous annual reporting period under this Agreement, the entire expenses of said audit shall be paid by the Concessionaire. Any additional percentage fee due shall forthwith be paid by the Concessionaire to the Airport with interest thereon at the maximum allowable rate by law per annum from the date such additional percentage fees became due.
- 7.8 Notwithstanding the fact that it is the practice of the industry for subscribers to render payment in arrears, Concessionaire shall render payment on the basis of gross revenues due or to become due rather than on the basis of amounts received by Concessionaire, provided however that in the event Concessionaire is unable to collect amounts due from the subscriber upon which Concessionaire has previously rendered payment to the Airport after a diligent effort is made to collect such amounts by Concessionaire, such "bad debts" shall be deemed uncollectible and the appropriate adjustments made in submission of subsequent statements and revenue payments.

## **Article VIII**

### **OPERATIONAL STANDARDS**

- 8.1 Concessionaire agrees to implement the Marketing and Management plans as part of the original proposal submitted by concessionaire and further agrees to submit updated plans for approval by the Executive Director. The burden of proving compliance with the Management Plans and with the Marketing plan rests with the Concessionaire.
- 8.2 The management, maintenance and operation of the Assigned Area shall at all times be under the supervision and direction of an active, qualified, competent manager who shall at all times be subject to the direction and control of the Concessionaire.

- 8.3 The Concessionaire agrees to develop a policy outlining the rules, regulations and operating procedures which apply to its performance of the terms and conditions applicable to its performance of this Agreement.
- 8.4 The operations of Concessionaire, its representatives, invitees, suppliers and contractors shall be conducted in an orderly and proper manner so as not to annoy, disturb or be offensive to others. All representatives of the Concessionaire must conduct themselves at all times in a courteous manner toward the public and in accordance with the rules, regulations and policies developed by the Concessionaire and approved by the Executive Director.
- 8.5 The concessionaire agrees that its representatives shall be of sufficient number so as to properly conduct the Concessionaire's operation. The Concessionaire shall provide its representative with identification tags with the Concessionaire's logo and airport identification badges as required, subject to approval by the Executive Director.

## **Article IX**

### **MAINTENANCE**

- 9.1 Airport shall not be required to make repairs or improvements of any kind at the Concessionaire's Assigned Areas if said repairs or improvements are the result of willful or negligent acts of Concessionaire, its employees, its patrons or those under the control of Concessionaire. Furthermore, the Airport shall not be required to make repairs or improvements of any kind at the Concessionaire's Assigned Areas except as follows:
- a. Structural repairs to the roof, floors and walls and windows of the terminal.
  - b. The Airport is to provide adequate heating and air conditioning to the Assigned Areas.
  - c. General maintenance and upkeep of the Airport's interior common use areas and external areas.
  - d. Should Airport be required to make any repairs or improvements under the provisions herein contained, Airport shall not be liable to Concessionaire for any damage caused by disrepair of any kind until Airport has had reasonable opportunity to perform repairs after being notified in writing of the need for same



by Concessionaire. Further Airport shall not be liable to Concessionaire, the Concessionaire's employees, patrons or vendor for any damage to their merchandise, trade fixtures or possession in the Assigned Areas caused by water leakage from roof, water lines, sprinkler or heating and air conditioning equipment unless caused by the sole negligence of the Airport, its employees or agents.

- e. The Airport shall have the right to construct or install over, in, under or through the Assigned Areas new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement or construction shall not unreasonably interfere with Concessionaire's use of the Assigned Areas. The Airport will repair at its sole cost, any damage resulting from such activities.

- 9.2 The Concessionaire agrees to provide at its own expense such janitorial, and cleaning services and supplies as may be necessary or required in the operation and maintenance of its Assigned Areas. The Concessionaire also agrees to keep and maintain its Assigned Areas in a clean, neat and sanitary condition, and attractive in appearance.
- 9.3 The Concessionaire agrees to maintain and make necessary repairs, structural or otherwise, to all of its Assigned Areas and the fixtures and equipment therein and appurtenances thereto, including, without limitation, signs, showcases, displays, telephone boards, adjacent walls and ceilings, partitions and lighting within its Assigned Areas and serving Concessionaire. Concessionaire agrees to keep and maintain in good condition the electrical equipment located at or on its Assigned Areas.
- 9.4 Prior to making any structural repairs other than to its own equipment, the Concessionaire shall discuss with the Executive Director to determine whether the Airport wishes to make the repairs with its own personnel and to charge the Concessionaire its standard rates for such service including any overhead charges. All work performed by the Concessionaire must be inspected and approved by the Executive Director or his representative.
- 9.5 All repairs done by the Concessionaire or on its behalf shall be of first class quality in both materials and workmanship. All repairs shall be made in conformity with the rules and regulations prescribed from time to time by federal, state or local authority having jurisdiction over the work in the Concessionaire's Assigned Areas.
- 9.6 The Executive Director or his duly appointed representatives shall have the right to enter the Concessionaire's Assigned Areas to:

- a. Inspect the Assigned Areas at reasonable intervals during the Concessionaire's regular business hours or at any time in case of emergency, to determine whether the Concessionaire has complied with and is complying with the terms and conditions of this Agreement. The Executive Director may, at his discretion, require the Concessionaire to affect repairs required of Concessionaire at the Concessionaire's own cost.
  - b. Perform any and all things which the Concessionaire is obligated to and has failed after reasonable notice to do, including: maintenance, repairs and replacements to the Concessionaire's Assigned Areas. The cost of all labor and materials required to complete the work will be paid by the Concessionaire to the Airport within ten (10) days following demand by Executive Director for said payment.
- 9.7 The Concessionaire shall, in a timely manner, provide for the adequate sanitary handling and removal of all trash, garbage, and other refuse caused as a result of the Concessionaire's operations. The Concessionaire agrees to provide and use suitable covered or sealed receptacles for all garbage, trash and other refuse from its Assigned Areas. Piling of boxes, cartons, barrels or similar items shall not be permitted in a public area.
- 9.8 The Airport shall provide, or cause to be provided, during the term of this agreement, security protection similar to that afforded to other concessionaires at the Airport, and it will issue and enforce rules and regulations with respect to all portions of the Airport. The Concessionaire shall have the right, but shall not be obligated, to provide such additional or supplemental public protection as it may desire at its own cost. Such right, whether or not exercised by the Concessionaire, shall not in any way be constructed to limit or reduce the obligations of the concessionaire hereunder. Any extra security protection shall be subject to the Airport granted to the Airport's Safety and Security section and shall in no way hinder or interfere with their duties.
- 9.9 All terminal advertising deliveries, if required, shall be in a manner and location established by the Airport. All vendors traveling on the apron area must be escorted by Airport security. All deliveries to the Assigned Areas on the enplaning levels of the terminal shall be conducted through the appropriate accesses.
- 9.10 The Concessionaire agrees to provide adequate control of rodents and insects and other pests in its Assigned Areas. In the event that the Executive Director determines that the Concessionaire's rodent, insect, and pest control program is not acceptable or sufficient,

he may after reasonable notice, seek to control such rodents, insects and pests by other means. The Concessionaire agrees to reimburse the Airport no later than ten (10) days following demand by Airport for such expenses as it may incur due to conditions within the Concessionaire's Assigned Areas.

## **Article X.**

### **COMPLIANCE**

- 10.1 The Concessionaire, its officers, agents, servants, employees, contractor, licensees and any other person whom the Concessionaire controls or has the right to control shall comply with all present and future laws, ordinances, orders, directives, rules and regulations of the United States of America, the State of California and county of Monterey, the Airport and their respective agencies, departments, authorities or commissions which may either directly or indirectly affect the Concessionaire or its operations on or in connection with its Assigned Areas of the Airport.
- 10.2 Concessionaire shall pay, or in good faith contest, on or before their respective due dates, to the appropriate collecting authority, all federal, state, and local taxes and fees, which are now being levied upon the premises, or upon Concessionaire, or upon the business conducted on the premises. Concessionaire shall be solely responsible for the payment of possessory interest taxes as might be levied by the County of Monterey. Possessory interest taxes shall be deducted from the next Airport payment. Appropriate proof of tax payment shall be supplied by Concessionaire at time of deduction. Concessionaire shall maintain in current status all federal, state, and local licenses and permits required for the operations of the business conducted by Concessionaire.
- 10.3 Concessionaire shall pay wages that are not less than the minimum wages required by law to persons employed in its operations hereunder.
- 10.4 This Agreement is governed by the laws of California. Any disputes relating to this agreement must be resolved in accordance with the laws of California.

## **Article XI.**

### **ASSIGNMENT AND SUBLEASING**

- 11.1 The provisions contained in this Agreement shall be binding on all subleases.
- 11.2 Concessionaire shall not assign this Agreement or allow same to be assigned by operation of law or otherwise, or sublet the Assigned Areas or any part thereof without the prior written consent of Airport, which shall not be unreasonably withheld. Any purported assignment or sublease in violation shall be void.
- 11.3 In no case may the activities, uses, privileges and obligations authorized herein or that Assigned Areas or any portion thereof be assigned, for any period or periods after a default of any of the terms, covenants, and conditions herein contained to be performed, kept and observed by the Concessionaire.
- 11.4 The Concessionaire must obtain the consent of the Airport to keep this Agreement in effect after any consolidation, transfer or merger of ownership between the Concessionaire and any other corporation or company, which consent shall not be unreasonably withheld.

## **Article XII.**

### **INSURANCE AND INDEMNIFICATION**

- 12.1 Concessionaire shall protect, defend, indemnify and hold Airport and its Board of Directors, officers, and employees completely harmless from and against any liabilities, demands, suits, claims, losses, fines, or judgments arising by reason of the injury or death of any person or damage to any property, including all reasonable costs from investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Concession or Concessionaire's officers, employees, agents, contractors, subcontractors, licensees or invitees regardless of where the injury, death or damage may occur, which is caused or reasonably believed to be caused by the Concessionaire or Concessionaire's officers, employees, agents, contractors, subcontractors, licensees or invitees. The Airport shall give Concessionaire reasonable notice of any such claims or actions. Concessionaire, in carrying out its obligations hereunder, shall use counsel reasonable acceptable to Airport. The provisions of this section shall survive the expiration or earlier termination of this Concession.

- 12.2 Concessionaire agrees to maintain comprehensive public liability and property damage, insurance in an amount of not less than One Million Dollars (\$1,000,000) combined single limit during the term of the Concession and any renewals thereof. Such insurance policies must name the Airport, its Board of Directors, its officers, and its employees as additional insureds to the full extent of Concessionaire's insurance coverage but in no event less than the required minimum coverage limit amount. In addition, Concessionaire shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of this Agreement.
- 12.3 Concessionaire agrees that all insurance policies shall contain a severability of interest or cross liability provision endorsement which shall read generally as follows:
- In the event of one of the assured incurring liability to any other of the assured, this policy shall cover the assured against whom claim is or may be made in the same manner as if separate policies had been issued to each assured. Nothing contained herein shall operate to increase the limits of liability.
- 12.4 Concessionaire agrees that all insurance policies shall provide that they will not be altered or cancelled without thirty (30) days advance written notice to the Airport. Such insurance must provide that it will be considered primary insurance as respects any other valid and collectible insurance, or self-insured retention, or deductible the Airport may possess. Any other insurance or self-insured retention of the Airport shall be considered excess insurance only.
- 12.5 The Airport shall have the right to change the insurance coverages and the insurance limits required of Concessionaire, without any adjustment of the rental fees paid by Concessionaire or any cost to the Airport, if such changes are reasonably recommended or imposed by the Airport's insurers.
- 12.6 Concessionaire shall obtain all insurance required from an insurance company or companies licensed to do business in the State of California. The insurance company must be acceptable to the Airport; approval may be denied a company based on its Best rating or other indication of financial inadequacy.
- 12.7 Concessionaire shall provide to the Airport such evidence of compliance with Airport's insurance requirements as the Airport may from time to time request. At a minimum the

Concessionaire shall provide, at the commencement of the Term, a certificate of insurance. All such certificates shall be completed to show compliance with Concessionaire's obligation hereunder, specifically as to the indemnification and notice provisions. The Airport may also require copies of the declaration page, insurance policy, and endorsements thereto.

- 12.8 If Concessionaire or its insurance company fails to promptly respond to Airport's request for adequate evidence of compliance with the insurance provisions, Airport may collect, as additional rental, an amount equal to ten percent (10%) of the rental fee required hereunder until such evidence is provided.
- 12.9 If Concessionaire shall at any time fail to insure or keep insured as aforesaid, the Airport may do all things necessary to effect or maintain such insurance, and all monies expended by it for that purpose shall be payable by the Concessionaire as additional rental in the quarter the premium or premiums are paid by the Airport. If any insurance policies required hereunder cannot be obtained for any reason, the Airport may require Concessionaire to cease any and all operations until coverage is obtained. If insurance coverage is not obtained within a reasonable period of time, to be determined solely by the Airport, the Airport may terminate this Agreement.

### **Article XIII.**

#### **CANCELLATION BY CONCESSIONAIRE**

- 13.1 In addition to all other remedies available to the Concessionaire, this Agreement shall be subject to cancellation by the Concessionaire should one or more of the following events occur:
- a. The abandonment of the airport for longer than sixty (60) days.
  - b. The issuance by any court of competent jurisdiction preventing or restraining the use of the Airport in such a manner as to substantially restrict the Concessionaire from conducting its operations of a terminal advertising concession not caused by any act or omission of the Concessionaire and the remaining in force of such injunction for at least sixty (60) days.

- c. The breach by the Airport of any of the material terms, covenants, or conditions of this Agreement to be kept, performed, and observed by the Airport, and the failure of the Airport to remedy such breach, subject to the Airport's right to litigate the issue, which litigation shall stay this tie-in period, for a period of sixty (60) days after written notice from the Concessionaire of the existence of such breach or if more than sixty (60) days shall be required because of the nature of such breach, if Airport shall fail within said sixty (60) days period to commence and thereafter diligently proceed to cure such default.
  - d. The assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport and its facilities in such a manner as to substantially restrict the Concessionaire from conducting its terminal advertising concession if such restriction be continued for a period of one (1) month or more.
  - e. If passenger enplanements drop more than thirty percent (30%) in a quarterly period from the same quarter during the prior year, Concessionaire may elect to terminate the contract and Airport agrees to buy out the undepreciated portion of the display equipment over the remaining depreciation schedule term not to exceed \$7,683 annually. Alternatively, Concessionaire may elect to reduce the MAG by the same percentage as the percentage reduction of passenger enplanements until such time as the passenger enplanements return to the level prior to MAG reduction.
- 13.2 In the event of default by the Airport, the Concessionaire shall be eligible for an abatement in its privileges, fees and charges as identified in Article VII from the time of default, until the cessation of such event of default, or the cancellation of this Agreement by the Concessionaire.
- 13.3 In the event any condition of default shall occur (notwithstanding any waiver, license or indulgence granted to Airport with respect to any condition of default in any form or instance) Concessionaire, then, or at any time thereafter, while such breach is continuing, shall have the right, at its election, to terminate this Agreement by giving at least five (5) days written notice to Airport at which time Concessionaire will then quit and surrender the Assigned Areas to the Airport.

## **Article XIV**

### **CANCELLATION BY AIRPORT**

14.1 This Agreement shall be subject to cancellation by the Airport if one or more of the following conditions of default by Concessionaire occur:

- a. If Concessionaire shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained and on Concessionaire's part to be performed and observed and if such neglect or failure should continue for a period of sixty (60) days after receipt by Concessionaire of written notice of such neglect or failure or, if more than sixty (60) days shall be required because of the nature of the default, if Concessionaire shall fail within said sixty (60) day period to commence and thereafter diligently proceed to cure such default; or,
- b. If the estate hereby created shall be taken by execution or by other process of law; or,
- c. The taking of a court of jurisdiction of Concessionaire and its assets pursuant to proceedings under the provision of any federal or state bankruptcy, reorganization code or act, insofar as the following enumerated remedies for default are provided for or permitted in such code or act; or,
- d. If any court shall enter a final order with respect to Concessionaire, providing for modification or alternation of the rights or creditors; or,
- e. If Concessionaire shall fail to abide by all applicable laws, ordinances, rules and regulations of the United States, or State of California; or,
- f. If Concessionaire shall fail to take possession of its Assigned Areas or
- g. If Concessionaire shall abandon all or any part of its Assigned Areas or shall discontinue the conduct of its operations in all or any part of its Assigned Areas.

14.2 In the event any condition of default shall occur (notwithstanding any waiver, license, or indulgence granted by Airport with respect to any condition of default in any form or instance) Airport, then, or at any time thereafter, while such breach is continuing, shall have the right, at its election, either to terminate this Agreement by giving at least ten (10) days written notice to concessionaire at which time the Concessionaire will then quit and surrender the Assigned Areas (or any part thereof in the name of the whole), without



demand or notice and repossess the same as of the Airport's former estate, expelling all those claiming under Concessionaire, forcibly, if necessary, without prejudice to any remedy for arrears of rent or preceding breach of covenant and without any liability to Concessionaire or those claiming under Concessionaire for such repossession.

- 14.3 Airport's repossession of the Assigned Areas shall not be construed as an election to terminate this Agreement nor shall it cause a forfeiture of fees or other charges remaining to be paid during the balance of the term hereof, unless a written notice of such intention is given to Concessionaire, or unless such termination is decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Airport because of any default by Concessionaire, Airport may at any time after such reletting elect to terminate this Agreement for any such default.
- 14.4 Upon repossession, Airport shall in good faith attempt to relet the Assigned Areas or any part thereof for such period or periods (which may extend beyond the term of this Agreement) at such fee or fees and upon such other terms and conditions as Airport may, in good faith, deem advisable. The Airport shall in no event be liable and Concessionaire's liability shall not be affected or diminished in any way whatsoever for failure to relet the Assigned Areas, or in the event same are relet, for failure to collect any fees or other sums due under such reletting.
- 14.5 In the event that the Airport shall elect to relet, then fees, received by Airport from such reletting shall be applied: first, to the payment of any indebtedness other than fees due hereunder from Concessionaire to Airport; second, to the payment cost of such reletting; third to the payment of fees due and unpaid hereunder; and the residue, if any, shall be held by Airport and applied in payment of future fees as the same may become due and payable hereunder. Should that portion of such fees received from such reletting during any month, which is applied to the payment of fees hereunder be less than the fees payable during that month by Concessionaire hereunder, then Concessionaire shall pay deficiency to Airport. Such deficiency shall be calculated and paid monthly. Concessionaire shall also pay to Airport, as soon as ascertained, any costs and expenses incurred by Airport in such reletting not covered by the fees received from such reletting of the Assigned Areas.
- 14.6 If Airport shall terminate this Agreement or take possession of the Assigned Areas by reason of a condition of default, Concessionaire, and those holding under

Concessionaire, shall forthwith remove their goods and effects from the Assigned Areas. If Concessionaire or any such claimant shall fail to effect such removal forthwith, Airport may, at its option, exercise the rights set forth in Paragraph 16.1 herein or may without liability to Concessionaire or those claiming under Concessionaire, remove such goods and effects and may store the same for the account of Concessionaire or of the owner thereof at any place selected by Airport, or, at Airport's election, and upon giving fifteen (15) days written notice to Concessionaire of date, time and location of sale, Airport may sell the same at public auction or private sale on such terms and conditions as to price, payment and otherwise as Airport may in good faith deem advisable. If, in the Airport's judgement, the cost of removing and storing or the cost of removing and selling any such goods and effects exceeds the value thereof or the probable sale price thereof, as the case may be, Airport shall have the right to dispose of such goods in any manner Airport may deem advisable.

- 14.7 Concessionaire shall be responsible for all costs of removal, storage and sale, and Airport shall have the right to reimburse itself from the proceeds of any sale for all such costs paid or incurred by Airport. If any surplus sale proceeds shall remain after such reimbursement, Airport may deduct from such surplus any other sum due to Airport hereunder and shall pay over to Concessionaire any remaining balance of such surplus sale proceeds.
- 14.8 If Airport shall enter into and repossess the Assigned Areas by reason of the default of Concessionaire in the performance of any of the terms, covenants or conditions herein contained, then and in that event Concessionaire hereby covenants and agrees that Concessionaire will not claim the right to redeem or re-enter the Assigned Areas to restore its operations hereunder and Concessionaire hereby waives the right to such redemption and re-entrance under any present or future law, and hereby further, for any party claiming through or under Concessionaire, expressly waives its right, if any, to make payment of any sum or sums of rent, or otherwise, of which Concessionaire shall have made default under any of the covenants of this Agreement and to claim any subrogation of the rights of Concessionaire under these presents, or any of the covenants thereof, by reason of such payment.
- 14.9 All rights and remedies of Airport herein created or otherwise existing at law are cumulative, and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other. All such rights and remedies may

be exercised and enforced concurrently and whenever and as often as deemed advisable.

- 14.10 If proceedings shall at any time be commenced for recovery of possession as aforesaid and compromise or settlement shall be effected either before or after judgement whereby Concessionaire shall be permitted to retain possession of the Assigned Areas, then such proceeding shall not constitute a waiver of any condition or agreement contained herein or of any subsequent breach thereof.
- 14.11 Any amount paid or expense or liability incurred by Airport for the account of Concessionaire may be deemed to be additional rental and the same may, at the option of Airport, be added to any rent then due or thereafter falling due hereunder.
- 14.12 Concessionaire hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Concessionaire being evicted or dispossessed for any cause, or in the event of Airport obtaining possession of the Assigned Areas by reason of the violation by Concessionaire of any of the covenants and conditions of this Agreement or otherwise. The rights given to Airport herein are in addition to any rights that may be given to Airport by any statute or otherwise.
- 14.13 Upon the termination of this Agreement, through passage of time or otherwise, the Concessionaire shall aid the Airport in all ways possible in continuing the Terminal Advertising Concession in the terminal building uninterruptedly. Specifically, the Concessionaire, if required by the Airport, shall continue its advertising operations beyond the term of this Agreement in order to coordinate the removal of its possessions with the installation of replacement property by a replacement Concessionaire. Such extension of operations beyond the term of this Agreement shall be under the same terms and conditions as stated herein.
- 14.14 The Concessionaire agrees to keep all insurance policies and/or self-insurance in effect through surrender of its Assigned Areas.

## **Article XV.**

### **SECURITY**

- 15.1 Concessionaire agrees to observe all security requirements of Federal Aviation Regulations Part 107, and the Airport Security Program, applicable parts, as the same may be from time to time amended, which will be furnished to Concessionaire as approved by the Federal Aviation Administration, and to take such steps as may be necessary or directed by the Airport to ensure that sub lessees, employees, invitees, and guests observe these requirements.
- 15.2 If Airport incurs any fines and/or penalties imposed by the Federal Aviation Administration or any expense in enforcing the regulations of Federal Aviation Regulations Part 107 and/or the Airport Security Program, as a result of the acts or omissions of the Concessionaire, Concessionaire agrees to pay and/or reimburse all such costs and expense. Concessionaire further agrees to rectify any security deficiency as may be determined as such by Airport or the Federal Aviation Administration. Airport reserves the right to take whatever action necessary to rectify any security deficiency, in the event Concessionaire fails to remedy the security deficiency.

#### **Article XVI.**

##### **ADVERSE TENANCY**

- 16.1 Any unauthorized holding over by the Concessionaire after the expiration or termination of this agreement without the written consent of the Airport, except for the period authorized and required for removal of Concessionaire's property, shall entitle the Airport to collect from the Concessionaire as liquidated damages for such holding over double the amount of the monthly rental in effect immediately prior to the commencing of such holding over. The Airport may perfect a lien on the property of Concessionaire as security for the payment of any damages or unpaid fees and shall be entitled to collect the same by foreclosure of such lien and sale of such property

#### **Article XVII.**

##### **FIRE AND OTHER DAMAGE**

17.1 In the event that structural or permanent portions of the Assigned Areas shall be partially damaged by fire or other casualty, the Concessionaire shall give immediate notice thereof to the Executive Director and the same shall be repaired at the expense of the Airport without unreasonable delay unless Airport determines that the damage is so extensive that repair or rebuilding is not feasible. From the date of such casualty until said area is so repaired, payments hereunder shall abate in such amount as may be reasonably determined by the Airport; provided, however, that if an area shall be so slightly injured in any such casualty as not to be rendered unfit for occupancy, the fees hereunder shall not cease or be abated during any repair period. In the event that the damage to the area should be so extensive as to render it untenable, the fee for such area shall cease until such time it shall again be put in repair, but in the event of the area being damaged by fire or other casualty to such an extent as to render it necessary in the exclusive judgment of the Airport not to rebuild the same, then, at the option of the Airport or Concessionaire, and upon thirty (30) days written notice to the other, this Agreement as it applies to said area shall cease and come to an end, and the fees hereunder shall be apportioned and paid up to date of such damage. If the Airport elects to rebuild said areas, the Airport shall notify Concessionaire of such intention within thirty (30) days of the date of the damage, otherwise, the Agreement as it applies to said area shall be deemed cancelled and of no further force or effect. The Airport's obligations to rebuild or repair under this Article shall in any event be limited to restoring said area to substantially the condition that existed prior to the commencement of improvements by Concessionaire and shall further be limited to the extent of the insurance proceeds available to Airport for such restoration. Concessionaire agrees that if the Airport elects to totally repair or rebuild as provided in this Article, then Concessionaire will proceed with reasonable diligence and at its sole cost and expense (unless such damage is caused by the sole negligence of the Airport) to rebuild, repair and restore its signs, fixtures, furnishings, equipment, improvements and other items provided or installed by Concessionaire, in or about the Assigned Areas in a manner and to a condition at least equal to that which existed prior to its damage or destruction.

#### **Article XVIII.**

#### **ATTORNEYS' FEES**

- 18.1 In case either party brings any action under this agreement, and prevails in said action, then the prevailing party shall be entitled to recover from the other party its reasonable fees incurred as a result of said action. Such fees shall include, but not be limited to, expert witness fees, court costs, and attorneys' fees.

#### **Article XIX.**

#### **AMENDMENT**

- 19.1 This Agreement constitutes the entire Agreement between the parties. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

#### **Article XX.**

#### **RELATIONSHIP OF PARTIES**

- 20.1 Nothing contained herein shall be deemed or constructed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint ventures, or any other similar such relationship, between the parties hereto. The parties shall understand and agree that neither the method of computation of fees nor any other provision contained herein, nor any acts of the parties hereto creates a relationship other than that stated herein.

#### **Article XXI.**

#### **APPROVALS BY**

- 21.1 Whenever this Agreement calls for approval by the Airport, such approval shall be evidenced by the written approval of the Executive Director or his or her designee.

#### **Article XXII.**

#### **ENVIRONMENTAL PROTECTION**

- 22.1 Concessionaire agrees to comply with all laws, and obey all rules, regulations, or administrative orders of agencies of the City of Monterey, the State of California, and the United States as these laws, rules, regulations and administrative orders may now exist and as they may be hereafter adopted. Concessionaire further agrees to abide by all rules and regulations adopted by Airport relating to protection of the environment.
- 22.2 HAZARDOUS SUBSTANCE AND WASTE: Tenant shall comply with all laws regarding hazardous substances and wastes relative to occupancy and use of the premises. Hazardous substances and wastes located on the premises or Airport by Tenant, Tenant shall be liable and responsible for:
- a. removal of any such substances and wastes,
  - b. costs associated with storage or use of hazardous substances,
  - c. any damages to persons, property and the premises or Airport,
  - d. any claims resulting therefrom,
  - e. any fines imposed by any governmental agency,
  - f. any other liability as provided by law,
  - g. reporting any release of hazardous materials to District.

### **Article XXIII.**

#### **GENERAL PROVISIONS**

- 23.1 Federal Aviation Act, Section 308 – Nothing herein contained shall be deemed to grant the Concessionaire any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act or the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, the Concessionaire shall have the right to possess the Assigned Areas under the provisions of this Agreement.
- 23.2 Subordination to Agreements With the United States Government – This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the Airport and the United States Government relative to the operation or maintenance of the Airport and grant assurances, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the Airport for Airport purposes, or the expenditure of federal funds for the improvement or

development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. The Airport covenants that it currently has no existing agreements with the United States Government in conflict with the express provisions hereof.

- 23.3 Nonwaiver of Rights – No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept, and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants, or conditions herein contained, to be performed, kept, and observed by the other party.
- 23.4 Notices – Notices required herein may be given by registered or certified or express mail by depositing the same in the United States Mail or by private courier in the continental United States, postage prepaid. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be received. Until any such change is made, notices to Airport shall be delivered as follows:

Mike La Pier, AAE, Executive Director  
Monterey Peninsula Airport District  
200 Fred Kane Drive, #200  
Monterey, CA 93940

Until any such change is made, notices to Concessionaire shall be delivered as follows:

Diane McIver, President  
U.S. Enterprises, Inc. d/b/a  
Corey Airport Services  
225 Corey Center, SE  
Atlanta, GA 30312

- 23.5 Captions – The headings of the several articles of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.
- 23.6 Severability – If one or more clauses, sections, or provisions of this agreement shall be held to be unlawful, invalid, or unenforceable, the parties hereto agree that the material rights of either party shall not be affected thereby.



- 23.7 Agent for Service of Process – The parties hereto expressly understand and agree that if the Concessionaire is not a resident of the State of California, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, then in any such event the Concessionaire does designate its registered agent as its agent for the purpose of process in any court action between it and the Airport arising out of or based upon this Agreement, and the service shall be made as provided by the laws of the State of California by serving the Concessionaire's registered agent. The parties hereto further expressly agree that the Concessionaire is amenable to and hereby agrees to the process so served, submits to the jurisdiction, and waives any and all obligations and protest thereto, any laws to the contrary notwithstanding.
- 23.8 Right to Develop Airport – The parties hereto further covenant and agree that the Airport reserves the right to further develop or improve the Airport Terminal and all landing areas and taxiways as it sees fit, regardless of the desires or view of the Concessionaire and without interference or hindrance. In such instances, the costs of development and financial impact as they impact the Concessionaire, shall be borne by the Airport and Concessionaire according to mutually agreed upon terms and conditions.
- 23.9 Incorporation of Exhibits – All exhibits referred to in this Agreement are intended to be and hereby are specifically made a part of this Agreement.
- 23.10 Incorporation of Required Provisions – The parties incorporate herein by this reference all provisions and/or grant assurances lawfully required to be contained herein by any governmental body or agency.
- 23.11 Nonliability of Agents and Employees – No member, officer, agent, Commissioner, or employees of the Airport or Concessionaire shall be charged personally or held contractually liable by or to the other party under terms or provisions of this Agreement, because of any breach thereof or because of its or their execution or attempted execution.
- 23.12 Successors and Assigns Bound – This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto where permitted by this Agreement.
- 23.13 Right to Amend – In the event that the Federal Aviation Administration or its successors requires modifications or changes in this Agreement as a condition precedent to the

granting of funds for the improvement of the Airport, or otherwise, the Concessionaire agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required.

- 23.14 Time of Essence – Time is expressed to be of the essence of this Agreement.
- 23.15 Gender – Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.
- 23.16 Force Majeure – Neither the Airport nor the Concessionaire shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargos, shortage of material, act of God, acts of the public enemy, acts of superior government authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which it is not within its control.
- 23.17 Right of Relocation – The Airport reserves the right to relocate area or areas in which Concessionaire is granted the privilege to conduct its business in the new terminal. Such relocation demands shall be provided to Concessionaire in writing from Airport within sixty (60) days of such needed action. Subsequent costs of such relocation shall be borne by the Airport pursuant to Article 3.4 and Concessionaire according to mutually agreed upon terms and conditions prior to any such relocation. The relocation process and costs associated with such relocation shall be controlled by Article 3.4.

## **Article XXIV**

### **DISADVANTAGED BUSINESS ENTERPRISE AND NONDISCRIMINATION**

- 24.1 Concessionaire agrees to submit all information necessary for the Airport to determine the eligibility of an individual or firm for certification as a Disadvantaged Business Enterprise, or a regional or local suboperator. Concessionaire agrees that it will comply with the Airport's Disadvantaged Business Enterprise Program and applicable laws and

regulations. Concessionaire agrees that participation by Disadvantaged Business Enterprises will be in accordance with the goals and objectives of the Airport's program.

- 24.2 Nondiscrimination – The Concessionaire assures that it 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. The Concessionaire 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. The Concessionaire assures that it will require that its covered suborganizations provide assurances to the Concessionaire that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 CFR Part 152, Subpart E to the same effect.

#### **Article Suite XXV.**

#### **ENTIRE AGREEMENT**

- 25.1 The parties hereto understand and agree that this instrument contains the entire agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.
- 25.2 The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for whom they are acting herein.
- 25.3 The parties hereto acknowledge that they thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein.

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

Date: April \_\_\_\_\_, 2016

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

Michael La Pier, AAE, Executive Director

A T T E S T

\_\_\_\_\_

CONCESSIONAIRE:

Date: April \_\_\_\_\_, 2016

\_\_\_\_\_

**AGENDA ITEM: G**  
**DATE:** April 13, 2016

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

**DEPARTMENT REPORTS**

**Jennifer Hickerson, Marketing & Public Relations Coordinator**  
[Air Service Development Report](#)

**Ken Griggs, Operations Manager**  
[Operations Report](#)

**Jeff Hoyne, Police Chief**  
[Police Activity Report](#)

**Monterey Fire Department**  
[Monthly Report](#)

**Brenda Smith, Staff Accountant**  
[Financial Summary](#)

**Chris Morello, Planning & Development**  
[P & D Monthly Project Report](#)

**AGENDA ITEM: G**  
**DATE: April 13, 2016**

**TO:** Mike La Pier, Executive Director  
**FROM:** Jennifer Hickerson, Marketing & Public Relations Coordinator  
**DATE:** April 1, 2016  
**SUBJ:** Air Service Development Report

### **Marketing, Advertising & Promotions**

#### **Advertising:**

- **Billboard:** On Hwy 101, 2 miles north of Prunedale. We have given Alaska Airlines use of the billboard for at least 6 months. They are working on the design and will use it to promote the Los Angeles and San Diego flights from Monterey.
- **TV:** We ran commercials on KSBW, KION and Comcast. A new commercial was created for the 75<sup>th</sup> Anniversary.
- **Radio:** We are sponsoring the \$1,000 a day giveaway on KWAV in April.

#### **Air Carrier Update:**

- AS – SAN and LAX service continues once a day. Alaska plans to change the schedule in April. The LAX flight will leave MRY in the evening and return in the morning which is opposite of what it is now. Due to the schedule change, Alaska will no longer RON here. Alaska is running some great fare sales trying to increase use of their service.
- G4 (Allegiant) – LAS service continues Thursdays and Sundays.
- AA – PHX service is not flying four times a day, with CRJ900 equipment continuing to operate three of the turns.
- UA SFO – SFO service continues twice a day. The SFO RON continues with a CRJ-700. The LAX service increases to four a day beginning April 5<sup>th</sup>. The late afternoon turn will not operate on Saturdays.

#### **Air Service Development**

- Mike attended the Mead & Hunt Air Service Conference the week of March 28<sup>th</sup>.
- I will be attending the Allegiant Conference the week of April 18<sup>th</sup>.
- Mike will attend the ACI-NA Jump Start Conference in June.

## Public Relations:

- Social Media/Facebook: “Total Likes” continue to grow – **13,705** as of April 1.
- Santa Cruz Warriors: The Road Warrior contest winners traveled to Los Angeles on March 27<sup>th</sup> and the Warriors did a great job with the execution in LA. The winners were greeted with Warriors fan packs filled with memorabilia and tickets to the Warrior’s final home game! They started the day with breakfast and a film session with the entire team and coaching staff, where the guests got an in-depth look into the keys of the game over some gourmet omelets.

Later in the day, the winners put their new knowledge to good use and helped pace the Warriors to a double digit victory while sitting 4th row center court for the game! They joined the coaching staff for a celebratory picture center-court postgame!



- California Rodeo Salinas: We will partner with the Rodeo again this year. We have scheduled the joint Chamber mixer for June 21<sup>st</sup>.
- California International Airshow Salinas: We are working with Bruce Adams to come up with a sponsorship trade that will enable us to promote our 75<sup>th</sup> Anniversary.
- Santa Cruz Chamber: We had a booth at the Santa Cruz Chamber Business Expo on March 16<sup>th</sup>. We handed out 75<sup>th</sup> Anniversary luggage tags and raffled off a \$250 Alaska Airlines gift certificate. There were 121 people who stopped by the booth. Everyone was so happy to see us and all comments were very positive.
- Aptos Chamber: We recently joined the Aptos Chamber. We are working to host a mixer there at the end of May.

- Community Day: Chris Chidlaw and I continue to work the Monterey Jet Center to discuss the possibility of partnering on a Community Day as part of our 75 year celebration. A tentative date has been set for September 10<sup>th</sup>. We are confirming Monterey Jet Center availability and will announce the official date as soon as we have it.

**Customer Service:**

- Customer Comment Cards: see March responses attached.



Date	Time	Pax	Airline	Flt #	Tone	Comments	Name	Address City & State
		Was						
3/4	1800	D	AE	2996	N	Disappointed when I arrived at 5:30 p.m. and both food vendors were closed.		
3/7	1525		AE	5658	P	This tiny little airport has been my annual favorite since 2010. So friendly and efficient.	C.B.	Phoenix, AZ
3/9	1620	D	AE	5658	N	Why do you provide tap water and encourage it when we have a water shortage. Have them buy bottled.	K.D.	Wickenburg, AZ
3/16	530	D	AL	2603	N	TSA Security was a little slow. I understand could be one time with many passengers in line.	S.G.	Marina, Ca
3/17	437	A	UE	5538	N	Baggage claim is very slow. Was better when it was beltless.	J	Hudson, NY
3/28	1030		AE	5692	P	Convenient to home quick parking & friendly.	V.M	Carmel, CA
3/30	920	D	UE		P	Lovely airport, relaxing and clean. Put in a small McDonald's instead of café. It wasn't open.		
3/31	1520		AL		C	Add additional flights to popular places. Test run flights.	D.M	Watsonville, Ca

**TO:** Michael La Pier, Executive Director  
**FROM:** Operations Manager Griggs  
**DATE:** April 1, 2016  
**SUBJ:** Operations Report

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The following is a summary of significant activity in the Operations Department for March 2016.

1. The FAA Part 139 certification inspection was held the first week of March. The inspector found no discrepancies during their inspection. We have reached out to our stakeholders, contract providers and District staff members to commend them for meeting all compliance requirements. The [letter](#) is attached.
2. Attended the triennial drill planning kick-off meeting. As part of our Part 139 certification requirements, the Airport District will be hosting a full-scale mass-casualty incident (MCI) exercise with our tenants, contract providers and mutual aid responders on May 17<sup>th</sup>. Invitations will be sent out later this month for observers interested in attending.
3. Attended the San Jose International Airport's MCI tabletop drill as an evaluator.
4. United Ground Express (UGE), a wholly owned subsidiary of United Airlines, began ground handling operations on March 30<sup>th</sup> for United Express. Operations staff coordinated with UGE management on start-up operations involving ground support equipment logistics and provided airport specific training elements pertaining to ramp operations and security requirements.

Here is a list of ground handling agencies servicing the airlines at MRY:

Envoy Air – American Eagle Airlines  
Aviation Port Services (APS) – Alaska Airlines, Allegiant Air  
United Ground Express – United Express Airlines

2. The [March noise comment report](#) is attached.
3. The [Operating and Expense Reports for the Taxi Open-Entry and Uber ground transportation systems](#) are attached.
4. The [Commercial Flight Cancellations & Delays Report for March](#) is attached.
5. Attached is the [Commercial Flight Schedule for April 2016](#).
6. Below is the summary of scheduled airline activity for April 2016:

Alaska Air flown by Horizon

- Continuing to operate one daily departure to San Diego and Los Angeles
- Beginning on April 5<sup>th</sup>, both flights become turns, meaning there will no longer be a flight parked overnight
- Scheduled to operate a total of 120 flights (Arrivals and Departures)

Allegiant Air

- Continues service twice a week on Thursdays and Sundays
- Scheduled to operate a total of 16 flights (Arrivals and Departures)

United flown by SkyWest

- LAX daily departures increase to four beginning on April 5<sup>th</sup> (three on Saturdays)
- Two daily SFO departures
- Scheduled to operate a total of 340 flights (Arrivals and Departures)

American Eagle flown by SkyWest/Mesa

- Service to PHX continues with four daily departures, using CRJ900 aircraft for three of the four flights
- Scheduled to operate a total of 240 flights (Arrivals and Departures)

Cumulatively speaking, the airlines have scheduled 38 more flights (716 vs. 678) as compared to last April. This is primarily due to the added fourth LAX flight flown by United.



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

Western-Pacific Region

**Airports Division (AWP-620)**  
P.O. Box 92007  
Los Angeles, CA 90009-2007

March 9, 2016

Mr. Michael La Pier  
Monterey Regional Airport  
200 Fred Kane Dr., Suite 200  
Monterey, CA 93940

Monterey Regional Airport  
Monterey, California  
Annual Certification Inspection Closeout

Dear Mr. LaPier:

The annual certification inspection of Monterey Regional Airport was conducted on March 1-3, 2016. The inspection revealed that the airport is being operated in compliance with 14 CFR Part 139, the Airport Certification Manual, and the Airport Operating Certificate.

We commend you for the procedures you are using in the day-to-day operation of the airport. The appearance of the airport indicates they are effective.

Thank you for your cooperation during the inspection, and please do not hesitate to call if you have questions regarding the operational safety of the airport.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlotte A. Jones", written over a horizontal line.

Charlotte Jones  
Airport Certification Safety Inspector  
FAA Western-Pacific Region

# MRY AIRPORT NOISE COMMENT LOG

## MARCH 2016

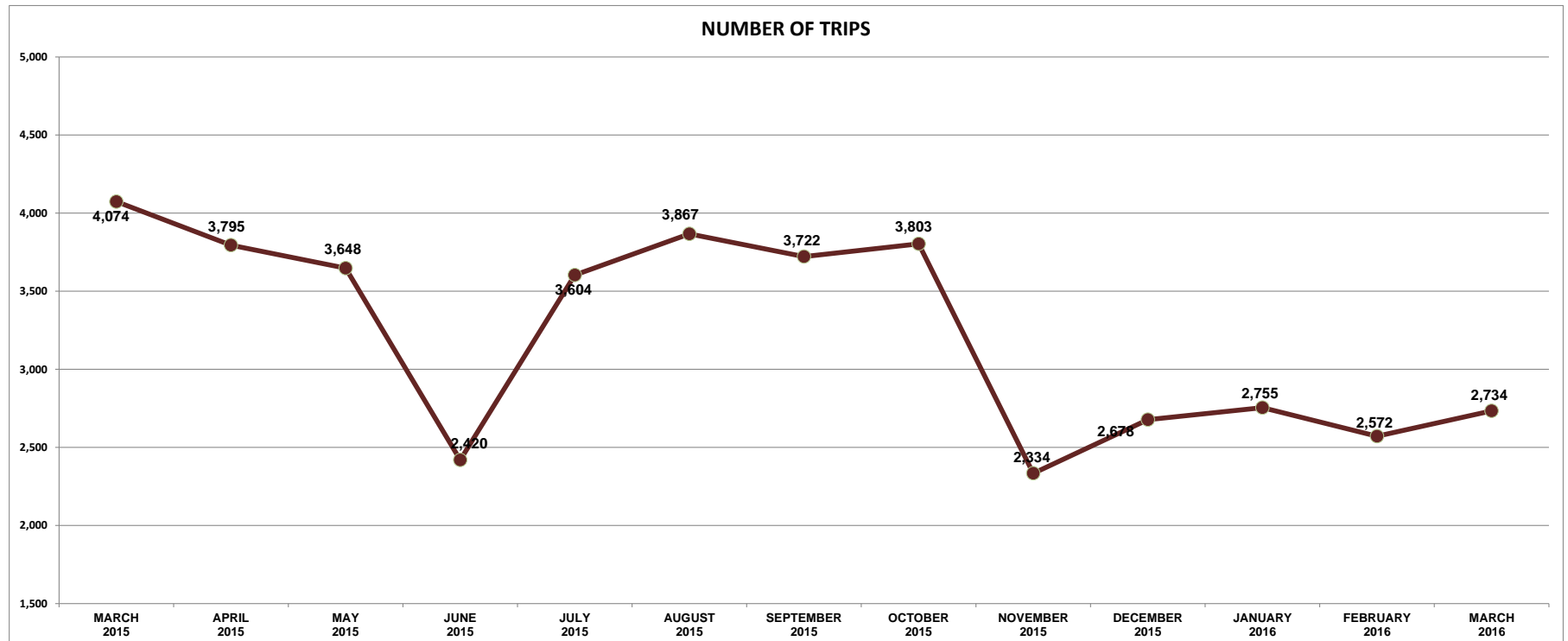
Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Notes
<b>AIR OPERATIONS CENTERED AT MONTEREY AIRPORT</b>									
1	Sheila Hutchings	CONA	2/29 & 3/1	Between 3 and 4pm	Citabria	North Traffic Pattern	KG	Asked the pilot/flight instructor to limit the amount of touch and go operations as part of our voluntary noise abatement guidelines.	The aircraft is operated by AeroDynamic Aviation. The flight instructor and student pilot were honoring the appropriate departure and traffic pattern altitude recommendations, yet exceeded the frequency limitations of four touch and go operations per hour.
2	Barbara Lovero	Pasadera	3/3, 3/4, 3/5, 3/6, 3/7, 3/9, 3/10, 3/11, 3/12, 3/13, 3/14, 3/15, 3/16, 3/17, 3/19, 3/20, 3/28, 3/29, 3/30	multiple	multiple	landing RWY 28L	NG	Weather conditions likely precipitating increased morning 10R departures. Also advised complainant of ongoing FAA development of new RWY 28L LOC procedures.	Ops has corresponded at length with complainant regarding this issue.
3	Anne Downs	Pacific Grove	last several months	all day	multiple	arriving 10R and departing 28L	NG	ATCT advised previous internal procedure issue has been resolved. Advised complainant of increased 10R ILS arrivals recently due to weather.	
4	Kenneth Nowak	Pasadera	3/20/2016	afternoon	multiple SE	arriving RWYs 28	NG	Discussed nature of VFR and pattern work as opposed to RNAV approaches.	Ops has corresponded with complainant previously regarding changes to RWY 28L approach procedures.
5	Lori Anderson	San Benancio	3/20/2016	all day	multiple	arriving RWYs 28	KG	Ms. Anderson wanted an update on the efforts to restore the traditional LOC/DME navaid.	Informed her the FAA has scheduled the release of the return of this approach procedure for August 2017.
6	Ted Cominos	Corral de Tierra	last several months	all day	multiple	arriving RWYs 28	KG	Thoroughly discussed the jurisdictional role of the airport versus the airspace governance by the Federal Aviation Administration. Disclosed the return of the LOC/DME procedure is under development.	Mr. Caminos insisted his home should be made eligible for soundproofing.
7	Gaspar Aliotti	Corral de Tierra	last several months	all day	multiple	arriving RWYs 28	KG	Left a message to briefly explain the change to RWY 28L apch procedures and ongoing efforts to restore localizer apch.	

AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT										
1	John Yacco	Scotts Valley	ongoing	all day	multiple	north and south	Ongoing anger about general volume of air traffic over home	NG	Ops has corresponded with complainant previously. He resides under both SFO and SQL flight paths. Spoke at length and provided outlet for complainant to vent his frustrations.	Complainant understands problem is outside of MPAD purview but appreciates responses to his concerns.
AIR OPERATIONS OF UNKNOWN ORIGIN										
1	James Hill	Point Sur	3/9/2016	9:10am	helicopter	unknown	Flying too close to residents, structures and livestock causing stampeding and worrying.	NG	Later identified by complainant as PG&E survey operation.	
2	Sylvia Zoellin	Carmel Valley	last 6 months	late afternoon/evening	unknown	north	It appears that they are heading in the direction of Monterey, and are de-accelerating. The traffic has increased a lot. It is ruining my peace and tranquility. Please re-route.	NG	Impacts believed to be due to Bay Area approach procedures. Provided FAA and Bay Area airport contacts.	
MONTHLY TOTALS and COMPARISONS										

	Mar-16	Mar-15	% Change
Number of Complaints:	11	3	267%
Number of Operations:	6,394	5,041	27%
			% Change
Annual Total	35	14	150%

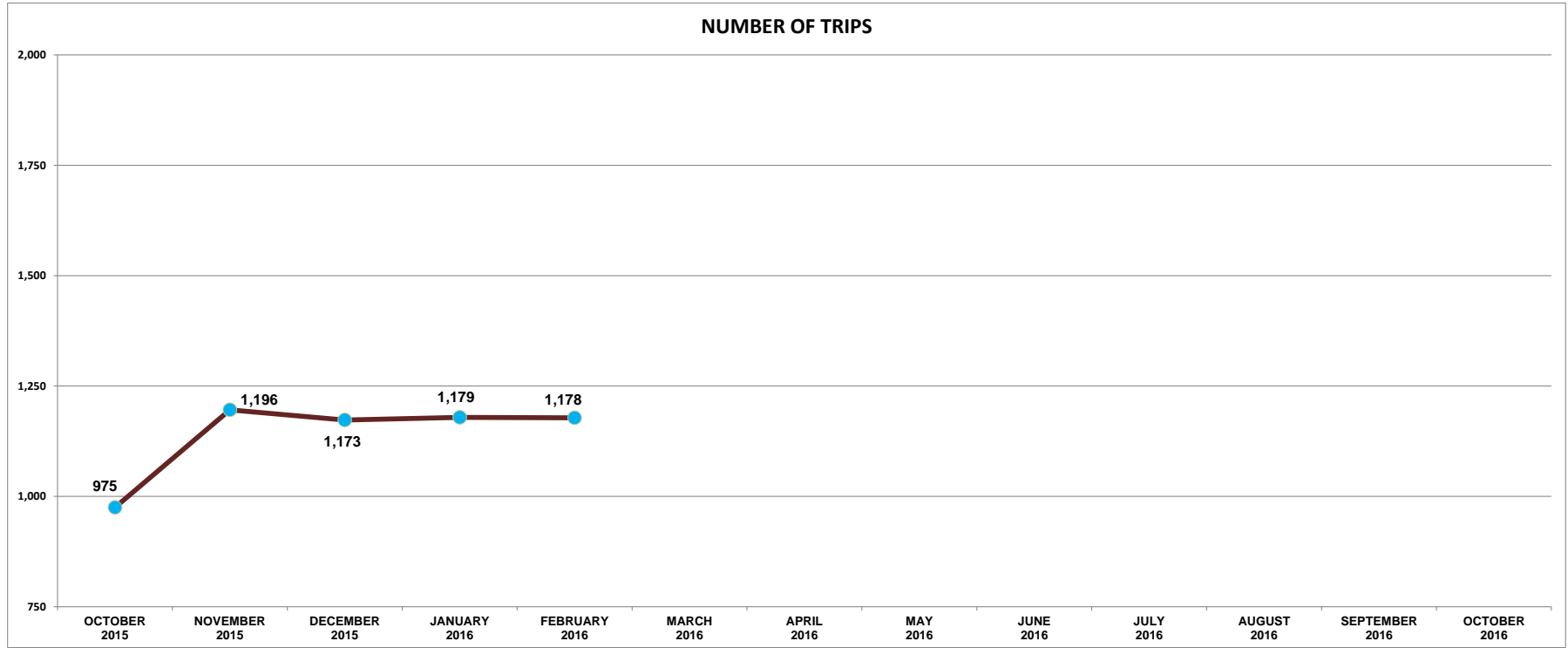
Other Airport	UNKNOWN ORIGINS
0	0

13-MONTH ROLLING COMPARISON



	2015 MARCH	2015 APRIL	2015 MAY	2015 JUNE	2015 JULY	2015 AUGUST	2015 SEPTEMBER	2015 OCTOBER	2015 NOVEMBER	2015 DECEMBER	2016 JANUARY	2016 FEBRUARY	2016 MARCH
NUMBER OF TRIPS	4,074	3,795	3,648	2,420	3,604	3,867	3,722	3,803	2,334	2,678	2,755	2,572	2,734
NUMBER OF CABS	127	128	128	129	101	105	111	115	115	115	115	116	155
TAXI TRIP FEES	\$ 12,222	\$ 11,385	\$ 10,944	\$ 7,260	\$ 10,812	\$ 11,601	\$ 11,166	\$ 11,409	\$ 7,002	\$ 8,034	\$ 8,265	\$ 7,716	\$ 8,202
TAXI MEDALLION FEES <sup>1</sup>	\$ 2,743	\$ 2,271	\$ 2,208	\$ 2,271	\$ 2,104	\$ 3,104	\$ 3,604	\$ 2,917	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,354	\$ 2,354
TAXI - TOTAL REVENUE	\$ 14,965	\$ 13,656	\$ 13,152	\$ 9,531	\$ 12,916	\$ 14,705	\$ 14,770	\$ 14,326	\$ 9,106	\$ 10,138	\$ 10,369	\$ 10,070	\$ 10,556
CURB MGMT CONTRACT	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897
EQUIPMENT DEPRECIATION	\$ 1,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOFTWARE LICENSE / HOSTING	\$ 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
EXPENDABLE SUPPLIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TAXI - TOTAL EXPENSE	\$ 14,672	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072
OPERATING INCOME / (LOSS)	\$ 293	\$ 584	\$ 80	\$ (3,541)	\$ (156)	\$ 1,633	\$ 1,698	\$ 1,254	\$ (3,966)	\$ (2,934)	\$ (2,703)	\$ (3,002)	\$ (2,516)
FYTD 2016 (July 2015 - January 2016) OPERATING INCOME / (LOSS)													\$ (12,168)
CUMULATIVE (13-MONTH) OPERATING INCOME / (LOSS)													\$ (13,275)

13-MONTH ROLLING COMPARISON

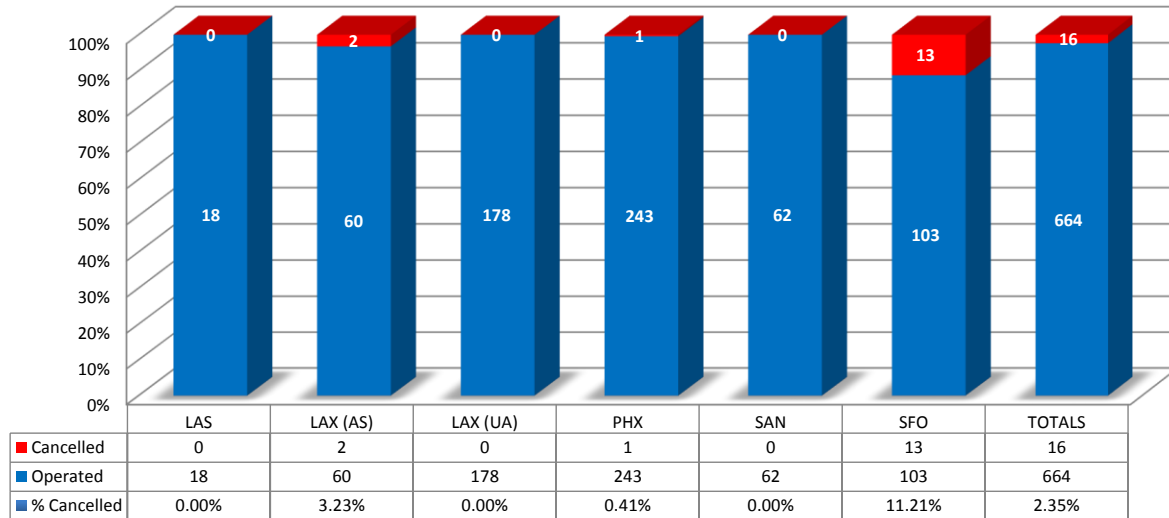


	2015	2015	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER
NUMBER OF TRIPS	975	1,196	1,173	1,179	1,178								
NUMBER OF TNCs	1	1	1	1	1								
TNC TRIP FEES	\$ 2,925	\$ 3,588	\$ 3,519	\$ 3,537	\$ 3,534								
TNC PERMITS	\$ 1,000	\$ -	\$ -	\$ -	\$ -								
TNC - TOTAL REVENUE	\$ 3,925	\$ 3,588	\$ 3,519	\$ 3,537	\$ 3,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



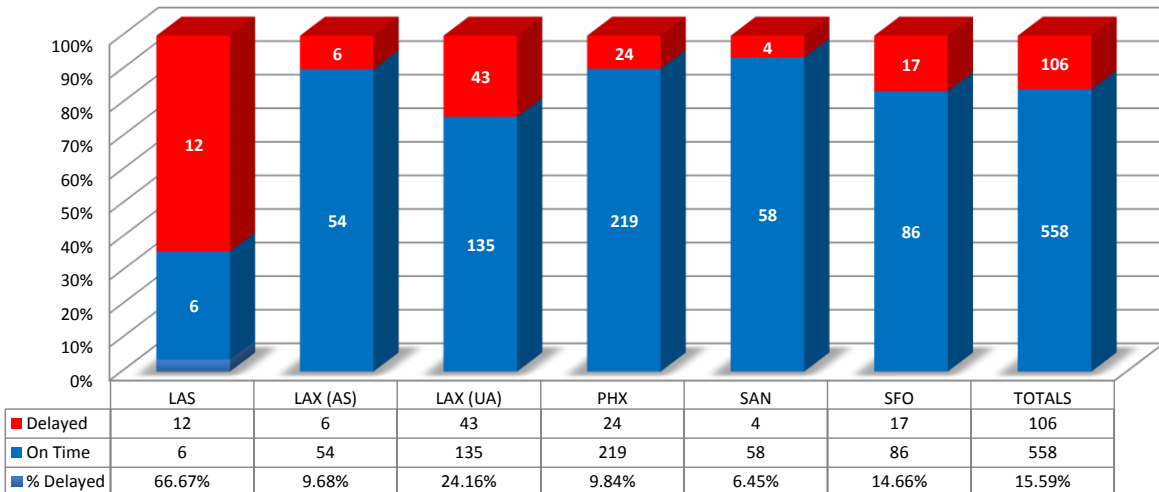
# MARCH 2016

## March Commercial Flights Operated vs. Canceled













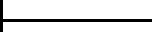
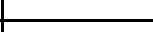














TOTAL CANCELED FLIGHTS: 16

## March Commercial Flights On Time vs. Delayed



TOTAL DELAYED FLIGHTS: 106

## Monterey Regional Airport April 2016 Flight Schedule

	ARRIVALS					DEPARTURES					
	FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD	
CRJ200 (50)	LAX		5018	10:45 AM	DAILY	SFO		5316	6:00 AM	DAILY	CRJ700 (66)
CRJ900 (76)	PHX		5891	11:50 AM	DAILY	LAX		2603	6:00 AM 6:00 PM	APR 1-3 APR 4-30	Q400 (76)
CRJ200 (50)	LAX		5166	2:00 PM	APR 5-30 ONLY	PHX		5624	6:10 AM	DAILY	CRJ900 (76)
Q400 (76)	SAN		2436	2:18 PM 5:28 PM	APR 1-3 APR 4-30	LAX		5052	6:25 AM	DAILY	CRJ200 (50)
MD80 (166)	LAS		540	3:32 PM 2:43 PM 2:11 PM 10:02 AM 9:33 AM	APR 3 APR 7 APR 10 APR 14,21,28 APR 17,24	LAX		5053	11:15 AM	DAILY EXC APR 2	CRJ200 (50)
CRJ900 (76)	PHX		5697	3:35 PM	DAILY	PHX		5692	12:25 PM	DAILY	CRJ900 (76)
CRJ200 (50)	SFO		5538	4:30 PM	DAILY	LAX		5117	2:30 PM	APR 5-30 ONLY	CRJ200 (50)
CRJ200 (50)	LAX		5037	4:45 PM	DAILY EXC SA	SAN		2437	2:55 PM 10:55 AM	APR 1-4 APR 5-30	Q400 (76)
CRJ200 (50)	PHX		2996	6:40 PM	DAILY	LAS		541	4:17 PM 3:28 PM 2:56 PM 10:47 AM 10:18 AM	APR 3 APR 7 APR 10 APR 14,21,28 APR 17,24	MD80 (166)
Q400 (76)	LAX		2604	9:05 PM 2:20 PM 10:20 AM	APR 1-3 APR 4 APR 5-30	LAX		5054	5:00 PM	DAILY EXC SA	CRJ200 (50)
CRJ900 (76)	PHX		5693	9:58 PM	DAILY	PHX		5658	4:10 PM	DAILY	CRJ900 (76)
CRJ200 (50)	LAX		5021	10:10 PM	DAILY	SFO		5984	5:20 PM	DAILY EXC APR 2	CRJ200 (50)
CRJ700 (66)	SFO		5850	11:51 PM	DAILY EXC APR 2	PHX		2996	7:10 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.

**AGENDA ITEM: G**  
**DATE:** April 13, 2016

**TO:** Mike La Pier, Executive Director  
**FROM:** Police Chief Jeff Hoyne  
**DATE:** April 1, 2016  
**SUBJECT:** Police Activity Report for March 2016

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The following is a summary of significant activity in the Police Department in March 2016:

### **Highlights**

- MRY PD responded to **198 door and gate alarms** in March.
- Officers worked a total of **15.25 hours of overtime** in March.
- MRY PD officers responded to two outside agency assists in March which consisted of the following:
  - 3/14 @ 1200 hrs. Officer Hickerson assisted with traffic control following an accident on Highway 68.
  - 3/19 @ 0700 hrs. Officer Dowson assisted Del Rey Oaks with traffic control for an injury accident at Highway 68 and 218.

### **Training**

- Chief Hoyne and Sergeant Porter attended Internal Investigations training March 1-3.
- All sworn staff completed Identity Theft for Patrol

### **Calls for Service**

1. 3/1 @ 0905 hrs. Officer Hickerson dispatched to 1105 Airport Road for a report of a stolen U-Haul trailer.
2. 3/4 @ 1420 hrs. Dispatched to an argument between boyfriend/girlfriend at the employee lot. Officer performed a civil standby while the female retrieved her belongings and then rented a car of her own.
3. 3/6 @ 1035 hrs. Discovered a sink hole near gate V-22. Maintenance responded and blocked off the hole.
4. 3/7 @ 1900 hrs. Twenty U.S. army personnel allowed to stay in Boardroom overnight while waiting for their flight departing at 0600.
5. 3/11 @ 1430 hrs. First Strike violation issued to Aviation Port Services employees for leaving the left side baggage door open.
6. 3/13 @ 2110 hrs. A passenger was observed walking back through the sterile area security doors by Envoy personnel. Passenger admonished by Envoy personnel.

7. 3/14 @ 1529 hrs. Contacted by Manager of the Golden Tee Restaurant who reported that a former employee has cashed forged checks totaling \$5,200.00. Investigation ongoing.
8. 3/14 @ 1628 hrs. Dispatched to a medical situation at Gate 5. Passenger complained of shortness of breath, rapid heart rate and dizziness. Monterey Fire examined the passenger and cleared her to continue her flight to San Francisco. United Airlines was notified of the situation.
9. 3/15 @ 1640 hrs. Dispatched to the United ticket counter regarding an angry customer who had missed their flight.
10. 3/15 @ 1800 hrs. Enterprise Rental Car reported a vehicle that was rented with a fake driver license and stolen credit card. BOL placed and vehicle entered into CLETS.
11. 3/16 @ 1140 hrs. Dispatched to 100 Skypark Drive for a possible stroke. Fire and AMR on scene and cleared the call. No action taken.
12. 3/25 @ 1125 hrs. Officer Shean stood by with United personnel while family vented their anger due to missing their flight.
13. 3/26 @ 1500 hrs. Officer Shean dispatched to a disturbance at Gate 4. Airline personnel said passenger was HBD and upset about missing his flight. Passenger was calmed down and re-booked for a later flight.
14. 3/27 @ 0902 hrs. Officers Bough and Hickerson dispatched to the east end of the airport for a report of a subject inside the secure fence line. Incident related to a burglary of ammunition from a nearby Del Rey Oaks storage facility. Investigation ongoing.
15. 3/28 @ 0950 hrs. A hole was discovered cut in the perimeter fence near where earlier incident occurred. Evidence collected and photos taken for investigation.
16. 3/29 @ 1515 hrs. Officers dispatched to a disturbance at Gate 4. Alaska Airlines passengers missed their flight. Officers stood by and kept the peace while new flight arrangements were made.
17. 3/30 @ 1847 hrs. Enterprise branch manager reported an embezzled vehicle.



# MONTEREY FIRE DEPARTMENT

## Report to Airport Board of Directors

March 2016

### 1. Incident Responses

Engine assigned to Fire Station 6 (Airport) responded to a total of 33 incidents during the month as follows (see attached for breakdown of types of incidents):

- MPAD property – 4
- City of Monterey – 28
- Auto / Mutual Aid – 1

### 2. Training

Personnel completed a total of 156 hours of Airport related training during the month.

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

- During March, 15 Monterey Fire personnel went to the live fire training in Salt Lake City to become qualified to be ARFF technicians at the Airport. Some of these were recertifications while others are newly trained. The personnel that went for the first time will still need to complete a task book to verify that they have mastered the required knowledge and skills.
- All aspects of the FAR Part 139 inspection related to ARFF readiness were passed during the recent FAA inspection.
- Preparation and planning work continues for the triennial drill scheduled for May 17, 2016.

# Monterey Fire Department

## Incident Type Report (Summary)

Alarm Date Between {03/01/2016} And  
{03/31/2016} and Station = "6"

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
	1	3.03%	\$0	0.00%
	1	3.03%	\$0	0.00%
<b>3 Rescue &amp; Emergency Medical Service Incident</b>				
3111 Medical Call No Aid Given	2	6.06%	\$0	0.00%
321 EMS call, excluding vehicle accident with injury	18	54.55%	\$0	0.00%
322 Motor vehicle accident with injuries	2	6.06%	\$0	0.00%
324 Motor Vehicle Accident with no injuries	2	6.06%	\$0	0.00%
	24	72.73%	\$0	0.00%
<b>4 Hazardous Condition (No Fire)</b>				
440 Electrical wiring/equipment problem, Other	1	3.03%	\$0	0.00%
463 Vehicle accident, general cleanup	1	3.03%	\$0	0.00%
	2	6.06%	\$0	0.00%
<b>6 Good Intent Call</b>				
611 Dispatched & cancelled en route	2	6.06%	\$0	0.00%
622 No Incident found on arrival at dispatch address	2	6.06%	\$0	0.00%
	4	12.12%	\$0	0.00%
<b>7 False Alarm &amp; False Call</b>				
733 Smoke detector activation due to malfunction	1	3.03%	\$0	0.00%
745 Alarm system activation, no fire - unintentional	1	3.03%	\$0	0.00%
	2	6.06%	\$0	0.00%

Total Incident Count: 33

Total Est Loss:

\$0

**AGENDA ITEM: G**  
**DATE:** April 13, 2016

**TO:** Michael La Pier, Executive Director, Monterey Peninsula Airport District  
**FROM:** Brenda Smith, Staff Accountant  
**SUBJ:** Financial Summary for February & Fiscal Year 2016

**BACKGROUND.** The Financial Summary for February 2016 (the eighth period of Fiscal Year 2016) is summarized by the following documents:

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

**SUMMARY.** In February, operating revenue was above plan by \$34,762 (5%). Commercial aeronautical fees, terminal rents, rental car concessions, TNC permits & trip fees, GA landing fees, fuel flowage fees, light GA rents, non-aviation rents and interest on investments were above plan.

In February, GA operations were 116.7% higher than in January 2016, GA operations were 32.5% higher than February 2015; GA Operations were 38.5% higher FYTD causing GA landing fees remain above plan.

TCP permits, taxi permit & trip fees, terminal concessions, and parking concession were below plan.

There were eleven (11) cancelled commercial flights in February; this may have contributed to below plan parking concession revenue. A change in frequency of commercial flights (PHX) and aircraft size caused commercial aeronautical fees to be above plan.

Fiscal year-to-date operating revenue was \$62,951 (or 1%) above plan at February 29, 2016 and is primarily due to above plan rental car concessions, terminal concessions, GA landing fees and one-time SB 90 reimbursements.

OPERATING REVENUE							
FEBRUARY 2015 ACTUAL	FEBRUARY 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 705,825	\$ 671,063	\$ 34,762	5%	\$ 5,674,746	\$ 5,611,795	\$ 62,951	1%

In February, operating expense was below plan by \$21,150 (-3%); phasing is one cause (planned expenses have been purposely postponed); however, management has constrained spending, where possible, in all areas. FYTD operating expense was below plan by -7% or \$363,347; some of this positive variance will erode as the fiscal year progresses.

OPERATING EXPENSE							
FEBRUARY 2015 ACTUAL	FEBRUARY 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 611,078	\$ 632,228	\$ 21,150	-3%	\$ 5,053,176	\$ 5,416,523	\$ 363,347	-7%

Net income for February was 144% or \$55,912 above plan; FYTD net income was \$426,299 (218%) above plan; both due to operating expense being below plan, above plan FYTD operating revenue also contributed.

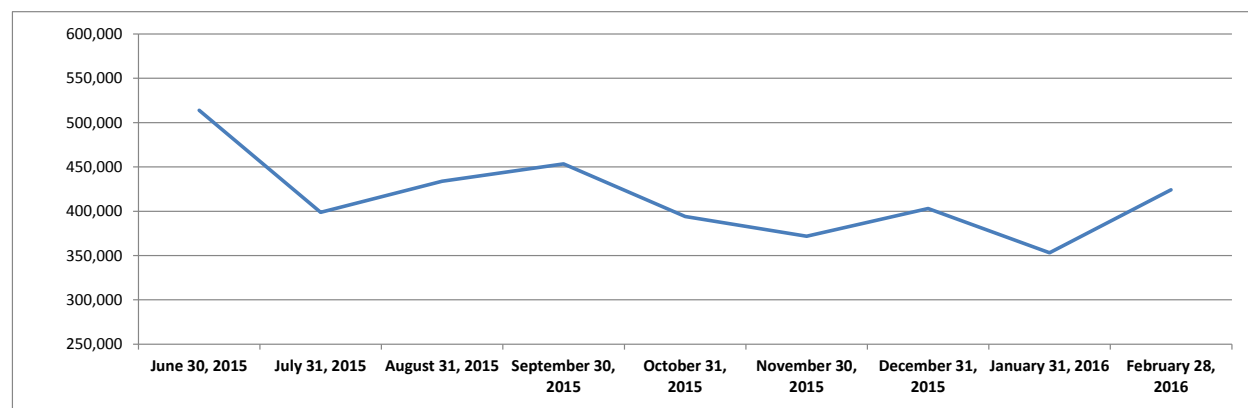
OPERATING INCOME / (LOSS)							
FEBRUARY 2015 ACTUAL	FEBRUARY 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 94,747	\$ 38,835	\$ 55,912	144%	\$ 621,571	\$ 195,272	\$ 426,299	218%

The net change in operating cash position for February was a positive \$53,153; FYTD net change was a positive \$1,251,473; this is attributable to operating expense being below plan and operating revenue being above plan. Nearly \$1million of this was an FAA reimbursement and has been moved into the District's investments.

**ACCOUNTS RECEIVABLE.** The accounts receivable balance on February 29, 2016, was \$424,120. This balance is 20.1% higher than the balance on January 31, 2016 and 17.5% lower than the balance on June 30, 2015.

Of the accounts receivable balance, \$10,569 or 2.5% was over 60 days old. Chart 1 depicts the accounts receivable balances by month.

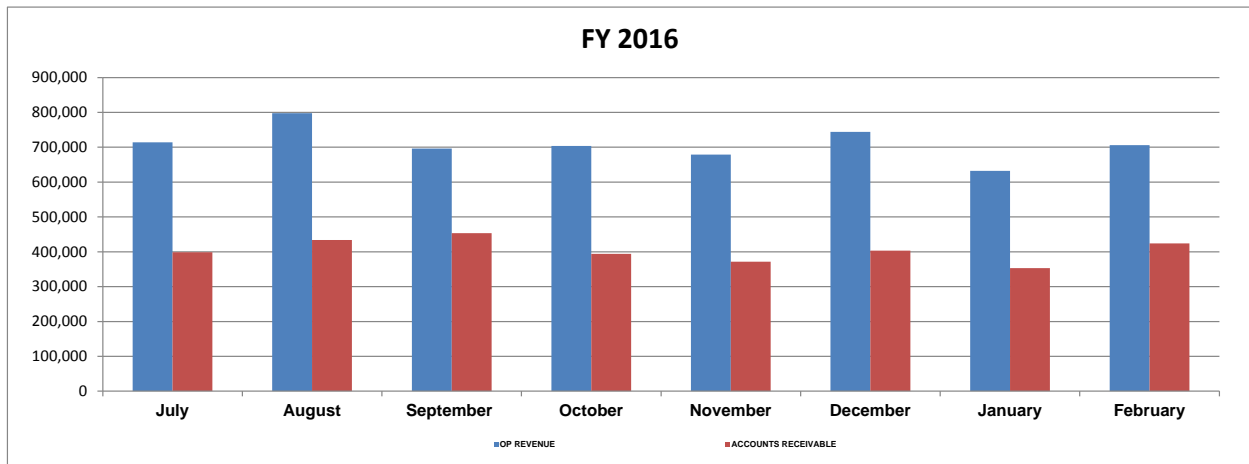
**Chart 1**





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 \$350,000 to \$550,000, depending on the District's business cycle. We have a cyclic high in August; a cyclic low in January. Compared to January, February operating revenue increased 11.6%; compared to December, February operating revenue decreased 5.2%. Chart 2 graphically presents the monthly comparison of operating revenues to accounts receivable.

**Chart 2**



**INVESTMENTS.** The investments balance on January 31, 2016 was \$3,261,683; the investments balance on February 29, 2016 was \$3,263,513.

Chart 3 graphically presents the monthly balances of investments.

**Chart 3**

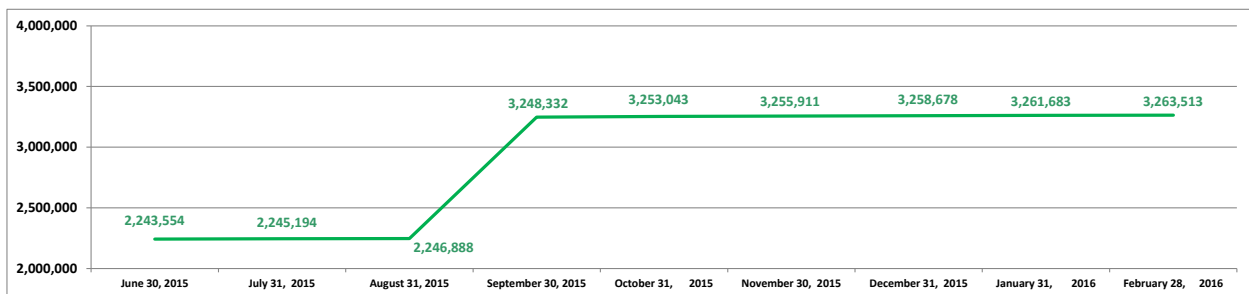
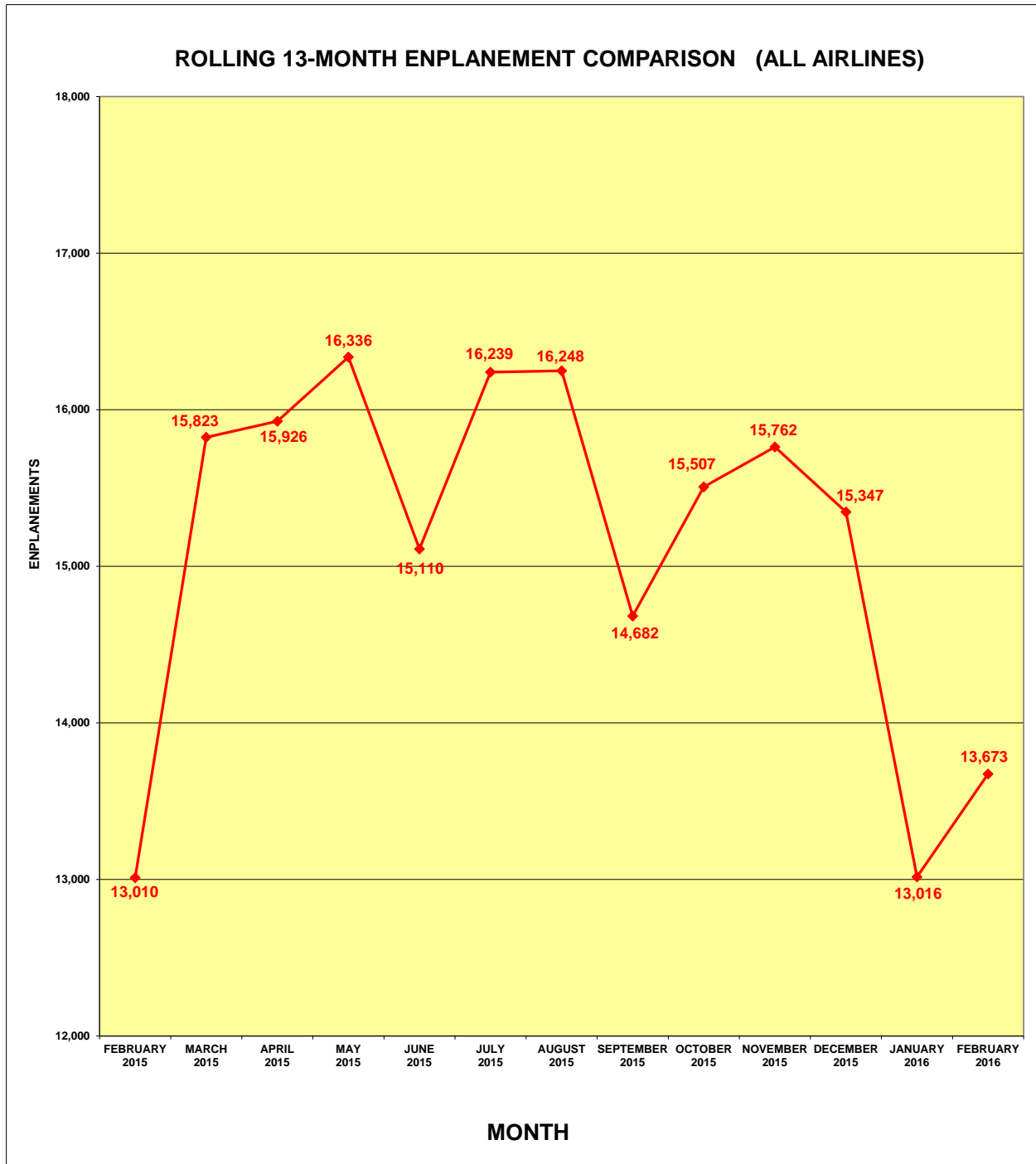
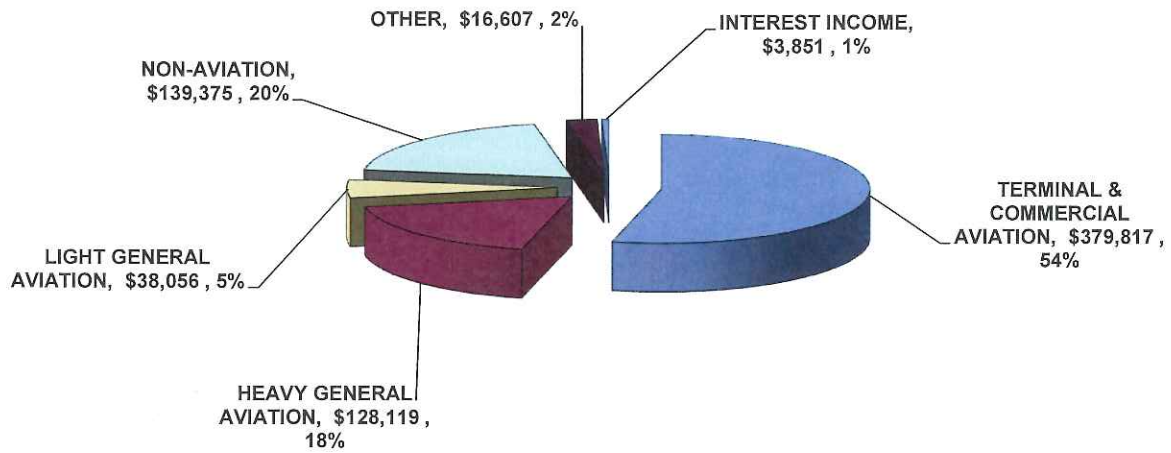


Chart 4 presents a rolling 13-month display of total enplanements which mimics the business cycle of the District. When compared to January 2016, February 2016 enplanements increased 5.0%. When compared to February 2015, February 2016 enplanements increased 5.1%.

**Chart 4**

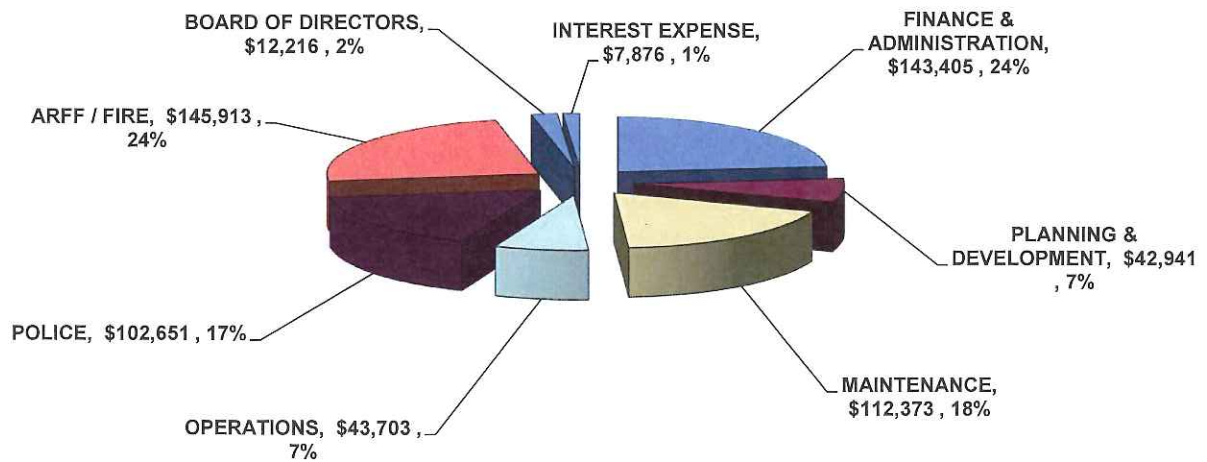


## FEBRUARY 2016 OPERATING REVENUE



TOTAL OPERATING REVENUE: \$705,825

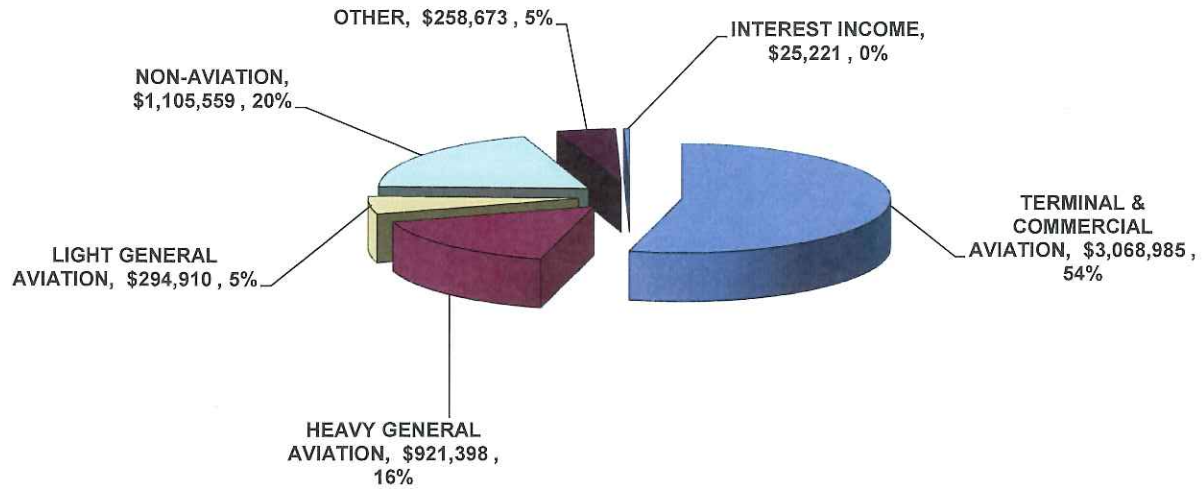
## FEBRUARY 2016 OPERATING EXPENSE



TOTAL OPERATING EXPENSE: \$611,078

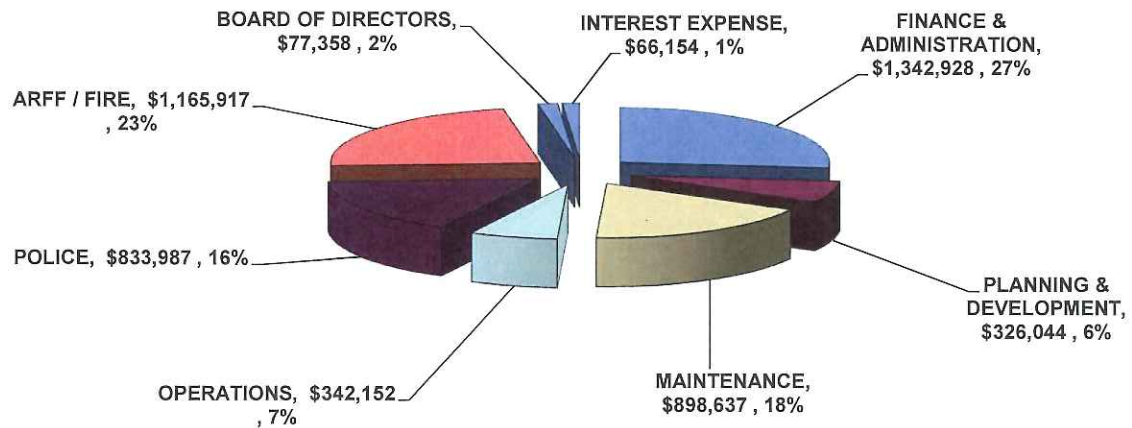
Monterey Peninsula Airport District

FY 2016 (July 15 - Feb 16) YTD OPERATING REVENUE



TOTAL OPERATING REVENUE: \$5,674,746

FY 2016 (July 15 - Feb 16) YTD OPERATING EXPENSE



TOTAL OPERATING EXPENSE: \$5,053,176

# AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

February 29, 2016

OPERATING STATISTICS	FEBRUARY 16			FEBRUARY 15	YTD FY 16			YTD FY 15
<b>AIRPORT ACTIVITY</b>								
Air Carrier Landings <sup>1</sup>	292	325	-10%	341	2,564	2,851	-10%	3,136
Passengers (emp/dep)	27,239			26,106	239,887			239,239
Total Cargo (in pounds)	70,209			74,349	701,070			703,989
<b>AIRCRAFT OPERATIONS</b>								
Commercial	1,190			1,128	9,708			9,432
General Aviation	6,048			4,563	34,784			25,117
Military	348			342	2,837			1,801
<b>TOTAL AIRCRAFT OPERATIONS</b>	<b>7,586</b>			<b>6,033</b>	<b>47,329</b>			<b>36,350</b>
<b>VEHICLE EXIT COUNT</b>								
Upper Short Term (1) Lot	1,956			1,918	16,752			16,741
Long Term (2) Lot	2,078			2,024	16,265			16,803
Lower Short Term (3) Lot	5,515			5,389	50,881			50,400
<b>TOTAL VEHICLE EXIT COUNT</b>	<b>9,549</b>			<b>9,331</b>	<b>83,898</b>			<b>83,944</b>

<sup>1</sup>Cancelled Flights: February = 11 (0 - Alaska / 0 - Allegiant / 3 - American / 8 - United); FYTD = 196 (12 - Alaska / 0 - Allegiant / 50 - American / 134 - United)

FINANCIAL INFORMATION	FEBRUARY 16 ACTUAL	FEBRUARY 16 BUDGET	%	FEBRUARY 15 ACTUAL	YTD FY 16 ACTUAL	YTD FY 16 BUDGET	%	YTD FY 15 ACTUAL
<b>OPERATING REVENUE</b>								
<b>TERMINAL</b>								
CA Landing, Apron & RON Fees	57,080	54,687	4%	50,861	460,274	484,491	-5%	458,633
Rents	141,098	140,393	1%	140,666	1,130,072	1,126,255	0%	1,134,952
TCP Operator Permits	633	830	-24%	650	5,827	6,160	-5%	6,360
Taxi Operator Permits & Trip Fees	10,070	14,057	-28%	13,429	96,526	103,225	-6%	106,103
TNC Permits & Trip Fees	3,534	-	100%	-	18,103	-	100%	-
Concessions	10,386	10,457	-1%	10,442	106,596	97,999	9%	98,106
Rental Car	95,023	83,408	14%	83,316	744,419	721,374	3%	721,451
Parking	61,992	64,008	-3%	58,455	507,167	538,713	-6%	530,549
<b>HEAVY GENERAL AVIATION</b>								
GA Landing Fees	37,998	31,952	19%	31,773	249,524	219,521	14%	219,258
FBO Rent	56,252	56,251	0%	54,925	450,016	450,008	0%	439,400
Fuel Fees	33,869	33,386	1%	28,961	221,858	249,316	-11%	217,062
<b>LIGHT GENERAL AVIATION</b>	38,056	37,613	1%	37,191	294,910	294,604	0%	289,383
<b>NON AVIATION</b>	139,375	127,216	10%	124,193	1,105,559	1,069,230	3%	1,089,942
<b>OTHER OPERATING REVENUE</b>	16,607	13,760	21%	11,652	258,673	226,424	14%	221,935
<b>INTEREST INCOME</b>	3,851	3,045	26%	2,451	25,221	24,475	3%	25,274
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 705,825</b>	<b>\$ 671,063</b>	<b>5%</b>	<b>\$ 648,965</b>	<b>\$ 5,674,746</b>	<b>\$ 5,611,795</b>	<b>1%</b>	<b>\$ 5,558,409</b>
<b>OPERATING EXPENSE</b>								
Finance & Administration	143,405	163,157	-12%	149,462	1,342,928	1,430,804	-6%	1,398,872
Planning & Development	42,941	41,121	4%	35,431	326,044	360,124	-9%	242,445
Maintenance & Custodial Services	112,373	108,667	3%	94,699	898,637	993,290	-10%	890,953
Airport Operations	43,703	49,219	-11%	38,912	342,152	384,399	-11%	328,318
Police Department	102,651	108,663	-6%	96,858	833,987	921,612	-10%	822,136
ARFF /Fire Services	145,913	146,011	0%	151,438	1,165,917	1,180,740	-1%	1,176,658
Board of Directors	12,216	7,514	63%	9,678	77,358	79,400	-3%	153,797
Interest Expense	7,876	7,876	0%	8,906	66,154	66,154	0%	74,243
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 611,078</b>	<b>\$ 632,228</b>	<b>-3%</b>	<b>\$ 585,385</b>	<b>\$ 5,053,176</b>	<b>\$ 5,416,523</b>	<b>-7%</b>	<b>\$ 5,087,421</b>
<b>OPERATING INCOME / (LOSS)</b>	<b>\$ 94,747</b>	<b>\$ 38,835</b>	<b>144%</b>	<b>\$ 63,581</b>	<b>\$ 621,571</b>	<b>\$ 195,272</b>	<b>218%</b>	<b>\$ 470,987</b>
<b>DISTRICT CAPITAL EXPENDITURES</b>	<b>\$ 17,943</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>\$ (819,105)</b>	<b>\$ 263,380</b>	<b>-411.0%</b>	<b>\$ 37,546</b>
<b>DEBT SERVICE - PRINCIPAL ONLY</b>	<b>\$ 23,833</b>			<b>\$ 23,000</b>	<b>\$ 190,667</b>			<b>\$ 182,000</b>

**MONTEREY PENINSULA AIRPORT DISTRICT**

	<b>FY 2016 FEBRUARY 2016 ACTUAL</b>	<b>FY 2016 YEAR-TO-DATE ACTUAL</b>
<b>SOURCES AND USES OF CASH -- OPERATIONS</b>		
<b>SOURCES OF CASH</b>		
CASH RECEIVED - OPERATING REVENUE	\$ 701,974	\$ 5,649,525
CASH RECEIVED - INTEREST INCOME	3,851	25,221
CASH RECEIVED	<u>\$ 705,825</u>	<u>\$ 5,674,746</u>
<b>USES OF CASH -- OPERATIONS</b>		
CASH DISBURSED - OPERATING EXPENSE <sup>1</sup>	\$ 603,019	\$ 4,985,558
CASH DISBURSED - DEBT SERVICE (BOND INTEREST EXPENSE) <sup>2</sup>	7,876	66,154
CASH DISBURSED - DEBT SERVICE (PRINCIPAL REDUCTION) <sup>2</sup>	23,833	190,667
CASH DISBURSED	<u>\$ 634,728</u>	<u>\$ 5,242,378</u>
<b>CHANGE IN CASH POSITION FROM OPERATIONS &amp; DEBT SERVICE</b>	<u>\$ 71,096</u>	<u>\$ 432,368</u>
<b>USES OF CASH -- CAPITAL PROGRAM</b>		
CASH DISBURSED - DISTRICT CAPITAL PROJECTS <sup>3</sup>	\$ 17,943	\$ (819,105)
CASH DISBURSED	<u>\$ 17,943</u>	<u>\$ (819,105)</u>
<b>CHANGE IN CASH POSITION FROM CAPITAL PROGRAM</b>	<u>\$ (17,943)</u>	<u>\$ 819,105</u>
<b>CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL &amp; DEBT SERVICE</b>	<u>\$ 53,153</u>	<u>\$ 1,251,473</u>

<sup>1</sup>Net of non-cash operating expense (OPEB)

<sup>2</sup>Moved to Restricted Account/Disbursement will occur in December 2015 & June 2016

<sup>3</sup>District-funded capital plan for FY16



**Monterey Peninsula Airport District**  
**Airport Capital Improvements / Capital Expenditures**  
**February 29, 2016**

**Airport Improvement Programs**

	Actual FY 2016 Current Period		Prior Fiscal Year Current Period		Actual FY 2016 Year-To-Date		Prior Fiscal Year Year-To-Date	
MPAD Expenditures	17,943.00	45.7%	0.00	0.0%	(885,698.74)	-6.0%	0.00	0.0%
AIP -- FAA Funded Expenditures	21,108.00	53.7%	2,770,389.27	94.9%	14,622,761.01	99.6%	16,365,628.38	94.9%
AIP -- PFC Funded Expenditures	254.00	0.6%	147,358.15	5.1%	941,296.68	6.4%	877,833.89	5.1%
<b>Total Capital Improvement Expenditures</b>	<b>39,305.00</b>	<b>100%</b>	<b>2,917,747.42</b>	<b>100%</b>	<b>14,678,358.95</b>	<b>100%</b>	<b>17,243,462.27</b>	<b>100%</b>

**Capital Acquisitions / Expenditures By Department**

Finance & Administration	0.00				0.00			
Planning & Development	0.00				0.00			
Maintenance & Custodial Services	0.00				66,593.83	100.0%		
Airport Operations	0.00				0.00			
Police	0.00				0.00		37,546.21	100%
ARFF / 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>66,593.83</b>	<b>100%</b>	<b>37,546.21</b>	<b>100%</b>

**Consolidated**

District Expenditures	17,943.00	45.7%	0.00	0.0%	(819,104.91)	-5.6%	37,546.21	0.2%
AIP -- FAA Funded Expenditures	21,108.00	53.7%	2,770,389.27	94.9%	14,622,761.01	99.2%	16,365,628.38	94.7%
AIP -- PFC Funded Expenditures	254.00	0.6%	147,358.15	5.1%	941,296.68	6.4%	877,833.89	5.1%
<b>Total Capital Expenditures</b>	<b>39,305.00</b>	<b>100%</b>	<b>2,917,747.42</b>	<b>100%</b>	<b>14,744,952.78</b>	<b>100%</b>	<b>17,281,008.48</b>	<b>100%</b>

**FY 2016 District Capital Expenses:**

2012-01 RSA - Construction - Phase 1	0.00	(964,992.44)	
2013-02 Airport Master Plan	16,264.00	81,200.98	
2015-03 Infield Safety Area Rehab - A	1,679.00	(1,907.28)	
2016-03 Pick-Up Truck - Maintenance	0.00	38,195.82	capitalized 11/30/15
2016-04 Pick-Up Truck - Maintenance	0.00	28,398.01	capitalized 7/31/15
	<u>17,943.00</u>	<u>(819,104.91)</u>	

**AGENDA ITEM: G**  
**DATE: April 13, 2016**

**TO:** Michael La Pier, Executive Director  
**FROM:** Chris Morello, Planning & Development  
**DATE:** April 1, 2016  
**SUBJ:** Planning & Development Monthly Project Report

---

Attached is the current monthly Project Report for the Planning and Development Department. Highlights for March 2016 include:

- Work directed toward implementation of the Runway Safety Area (RSA) Project accomplished during the reporting period, including:
  - Completed interviews for Airports Magazine Article which is to be published in the May edition.
  - Provided a presentation on the RSA Project at the AAAE Construction Symposium in Salt Lake City.
  - On-going RSA environmental mitigation (implementation of the Habitat Conservation & Enhancement Plan--HCEP).
  - As built documents will include information on the Storm Water captured in the cisterns potential for redistributed for reuse.
- Work directed toward the Airport Master Plan (AMP), including:
  - Staff review of airport economic benefits study brochure.
  - Discussions continue with the FAA regarding scope of work for the AMP EA.
  - Maintenance of the project web site on the Internet.
- Work directed toward the Wells Assessment Project, including:
  - Finalized Options Analysis by Allterra Environmental, Inc.
- Work directed toward the Infields Rehabilitation Project, including:
  - Preparation of the draft Environmental Assessment for the project.
- Work directed toward Bldgs 505 & 506, including:
  - Finalization of O & M Manual.
  - Sought quotes for remediation efforts.
- Posted an RFQ for Consulting Services for the Preparation, Assessment, and Implementation of a Solar Photovoltaic (PV) Electric Generating System.



FUNDING				BUDGETING				EXPENDITURES			STATUS			
PROJECT #	AIP #	PFC	Prior FY Budget	FY 2016 Budget	Post FY Budget	Total Project Budget	Spent in Prior Fiscal Years	FY 2016 Expenditures to Date	Cumulative 03/31/16	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
ACTIVE FEDERALLY-FUNDED PROJECTS:														
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	\$31,973,875	\$19,104,934	\$0	\$51,078,808	\$31,973,875	\$18,628,252	\$50,602,126	99%	RSA Runway 10R/28L - Construction; Phase 1 and 2	Project construction is complete.	Completion of reports required for FAA funding is underway for the close out of actual construction and the first RSA grant. On-going environmental mitigation will continue during the reporting period and thereafter.
2	2013-02	59	13-18-C-00-MRY	\$842,341	\$252,639	\$0	\$1,094,980	\$842,341	\$315,922	\$1,158,263	98%	Airport Master Plan	The Initial Study for CEQA compliance has been completed. Airport has filed a pre-application with the FAA for funding of a NEPA Environmental Assessment in FY 16.	Scoping meeting for the CEQA EIR was held on February 3, 2016. This will close out AMP efforts until an FAA grant is received for the NEPA EA.
3	2015-03	62	Unk.	\$0	\$825,000	\$269,980	\$1,094,980	\$0	\$77,906	\$77,906	10%	Airport Infield Safety Area Rehabilitation-Part A	The NEPA Environmental Assessment (EA) is underway; administrative drafts of 1st two chapters are being reviewed by Airport Staff.	Data gathering for the EA will continue through the reporting period.
OTHER GRANT FUNDED PROJECTS:														
4	N/A	N/A	N/A	\$0	\$30,000	\$0	\$30,000	\$0	\$14,500	\$14,500	95%	Wells Assessment Project-Options Analysis	Options Analysis finalized by Allterra Environmental, Inc.	Continued discussions with MPWMD on well water resources
ACTIVE DISTRICT-FUNDED PROJECTS:														
5	N/A	N/A	N/A	\$96,175	\$2,825	\$0	\$99,000	\$96,175	\$0	\$96,175	n/a	FWSS Mitigation Land Restoration	Preparation and planting is complete at the off-airport site.	Monitoring will continue through FY 2017.

**TO:** Mike La Pier, Executive Director  
**FROM:** Chris Morello, Planning & Development  
Prepared by: Shelley Glennon, Planning Manager - Environmental  
**DATE:** April 1, 2016  
**SUBJ:** Presentation for the Northside Wells Systems - Options Analysis

**BACKGROUND.**

Project Summary

Staff's presentation for the Northside Wells System – Options Analysis will discuss the findings and conclusions made in the second phase of the wells system analysis (referred to as the Options Analysis) that was recently finalized by Allterra Environmental, Inc. (Allterra) in March 2016. The Options Analysis determined that the wells system can sufficiently accommodate the non-potable water needs of the identified potential on- and off-site users, however due to the high costs associated with constructing a well water distribution system (approx.\$1.5 million on-site system, \$1.6 million off-site or \$3.1 million for both on- and off-site) and the low value of non-potable well water (approximately ½ cent per gallon), staff is looking into other possible alternatives to use the well system resources through discussions with the Monterey Peninsula Water Management District (MPWMD). No action by the Monterey Peninsula Airport District ("MPAD" or "District") Board of Directors is required.

Project History

MPWMD approved a \$30,000 grant for MPAD to conduct a wells assessment/analysis to determine the feasibility of using its well water as a non-potable water supply to increase and diversify water resources. Through the District's Request for Proposal (RFP) process, Allterra was awarded the contract to conduct the wells system analysis/assessment. On February 11, 2015, the MPAD Board of Directors (BOD) adopted Resolution No. 1636 approving the grant agreement between MPAD and MPWMD and a Professional Service Agreement with Allterra to conduct the assessment/analysis. On October 14, 2015, the finalized wells assessment/analysis report was presented to the MPAD BOD. It was determined that the wells system is in proper working order and could accommodate a sustainable pumping rate of over 34 million gallons per year. Additionally, there is a current and future demand for non-potable well water to service the several identified potential on- and off-site users.

**STAFF ANALYSIS.** With the knowledge that the wells appeared to be a viable resource, an options analysis was conducted to determine the following: 1) the value of non-potable well water (i.e., per gallon units), 2) a comparison of other similar agencies that use both well water and Cal Am water, 3) the potential distribution construction costs, and 4) more specific information about the water needs of the identified potential users.

In summary, the Options Analysis concluded the following:

- The estimated overall demand for non-potable water for all on- and off-site users can be accommodated by the currently equipped three extraction wells located at the MPAD well system:

<b>On-Site Users Demand*</b>	<b>Off-Site Users Demand**</b>
190,000 gallons/month	2,000,000 gallons/month (only four months in the year)
<b>Total Well Water Available from 3 extraction wells: 2,859,840 gallons/month</b>	
<p>*On-site users include: Monterey Jet Center, Car Rental Quick Turn-Around Facility and Monterey Peninsula Engineering (for construction water truck access).</p> <p>**Off-site users include: Monterey Pines Golf Course and Del Monte Golf Course. According to the Superintendent of Monterey Pines Golf Course, they have an average shortage of approximately 1 million gallons per month during summer months (June-September), it is assumed that the same may be true for the Del Monte Golf Course following upcoming well installations.</p>	

- After examining regional non-potable industrial rates for recycled water and fire hydrant water, the estimated market value of the MPAD's well water is in the range of \$0.0046 to \$0.0067 per gallon (or approximately ½ cent per gallon).
- The only similar organization that uses both well water and Cal Am water is the nearby Monterey County Fairgrounds. In addition to on-site uses, the Fairgrounds also provided well water to off-site construction water trucks and the Monterey Pines Golf Course during dry summer months. The Fairgrounds provided non-potable well water to off-site users at a rate of approximately \$0.0048 per gallon.
- Average cost estimates for the engineering, design and construction of a non-potable water conveyance pipeline are as follows:

<b>On-site Construction Costs *</b>	<b>Off-site Construction Costs **</b>	<b>Total Construction Costs***</b>
\$1,539,904.00.00	\$1,659,105.00	\$3,199,009.00
<p>*On-site users only include Monterey Jet Center, the Car Rental Quick-Turn Around Facility and Monterey Peninsula Engineering (for construction water truck access). Additionally, the QTA water treatment and an access point for construction water trucks are also included in cost estimate.</p> <p>**Off-site users include Monterey Pines Golf Course and Del Monte Golf Course.</p> <p>***all costs are an average cost estimate based on several estimates provided from local construction/engineering firms.</p>		

- Based on the potential user demand, market value of non-potable well water and the estimated construction costs, the following table demonstrates the payback period of the pipeline conveyance system construction for on-site users and off-site users:

<b>Potential Users</b>	<b>Non-Potable Well Water Demand (Gallons/Year)</b>	<b>Market Value*</b>	<b>Total Value for Non-Potable Water Demand/year</b>	<b>Construction Costs</b>	<b>Payback Period in Years</b>
On-Site Users	2,280,000 gallons/year	\$00.0057	\$12,996.00	\$1,539,904.00	118.49 years
Off-Site Users	8,000,000 gallons/year	\$00.0057	\$45,600.00	\$1,659,105.00	36.38 years
Market Value is an average of the .0046-.0067 market value range					

**BUDGET EFFECT.** None. The Options Analysis is fully funded by the MPWMD.

**SOURCE OF FUNDS.** MPWMD.

**IMPACT ON REVENUES.** The Options Analysis will not have an impact on District revenues.

**SCHEDULE.** The initial Wells System Assessment and Analysis and the Options Analysis have been completed. Staff will continue to have discussions with the Monterey Peninsula Water Management District on other possible alternative uses for the District's non-potable well water resources as well as grant funding availability.

**IMPACT ON OPERATIONS.** None.

**STRATEGIC PLAN.** The Well Assessment/Analysis and Options Analysis implements three (3) elements/goals of the 2014 MPAD Strategic Plan, including:

- 1) Element No. 4 "Property Management," Strategic Goal 4.5 "Water Management";
- 2) Element No. 5 "Financial Management," Strategic Goal 5.3 "Invest in Revenue-Producing Capital Assets"; and
- 3) Element No. 8 "Airport Relations," Strategic Goal 8.1 "Maintain and Cultivate Good Working Relationships with all Regulatory Agencies".

**RECOMMENDATION.**

The purpose of this item is to present information to the Board of Directors regarding the outcome of the Wells System Options Analysis conducted by Allterra Environmental, Inc. No action by the Monterey Peninsula Airport District Board of Directors is required. Staff will continue to have discussions with the Monterey Peninsula Water Management District on other possible alternative uses for the Airport's wells system resources including for future airport development.

**RESOLUTION NO. 1657**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT  
DISTRICT UPON THE RETIREMENT OF JERRY MERRITT  
ACKNOWLEDGING HIM FOR MORE THAN TEN YEARS OF DISTINGUISHED AND DEDICATED  
SERVICE TO THE DISTRICT**

**WHEREAS**, Jerry Merritt has faithfully served as an employee of the Monterey Peninsula Airport District's Finance & Administration Department since October 1, 2005, providing more than ten years of service and commitment as the Accounting Manager/Controller, and retired from service on March 31, 2016, and

**WHEREAS**, Jerry's enthusiastic management style has been instrumental in developing, organizing, and managing a sound, operationally structured finance department. His dedication and perseverance in ensuring financial compliance and fiscally responsible stability in the overall management of the Monterey Peninsula Airport District financial design truly complimented his service and the mission of the Monterey Peninsula Airport District;

**WHEREAS**, Jerry's allegiance and commitment to the success of the Monterey Peninsula Airport District has been noticed throughout the airport by District employees, Board of Directors, tenants and the public;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Monterey Peninsula Airport District commend Jerry Merritt for his ten years of distinguished and dedicated service to the district;

**BE IT FURTHER RESOLVED**, that the valuable services of Jerry Merritt be memorialized by resolution on the occasion of his retirement from the Monterey Peninsula Airport District on March 31, 2016.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 13th day of April, 2016 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 April, 2016

Mary Ann Leffel, Chair

**A T T E S T**

Michael La Pier, AAE  
Executive Director

**RESOLUTION NO. 1658**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA  
AIRPORT DISTRICT UPON THE RETIREMENT OF MARK BAUTISTA  
ACKNOWLEDGING HIM FOR MORE THAN ELEVEN YEARS OF DISTINGUISHED AND  
DEDICATED SERVICE TO THE DISTRICT**

**WHEREAS**, Mark Bautista has faithfully served as an employee of the Monterey Peninsula Airport District's Planning and Development Department since April 16, 2005, providing more than ten years (approximately 22,880 hours) of commitment to the planning and development of the District; and

**WHEREAS**, Over the past years, Mark has overseen the completion of; the Terminal Modernization and Expansion, the Quick Turn Around Facility, a Runway Overlay, Airfield Lighting and Signage Improvements including Pilot Controlled Lighting, Pavement Overlay Improvements on all airfield pavement areas as well as the public parking areas, upgrades to multiple NAVAIDS including the Tower Beacon, PAPI, REIL, Glide Slope and MALSR, Energy Efficient Lighting Improvements to the terminal, parking areas, and Airport owned streets, installation of the Electric Vehicle Charging Stations, installation of new Airport terminal carpeting, IT improvements for District Administration, ins Terminal WiFi installation, Flight Information Display installation, purchase of both an ARFF and Command Vehicle for the Fire Department, multiple tenant improvements, the Master Plan Update, and the Runway Safety Area Improvements Project; and

**WHEREAS**, Mark's dedication and commitment to the success of the Airport District has been noticed throughout the airport by District employees, Board of Directors, tenants and the public;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Monterey Peninsula Airport District commend Mark Bautista for his eleven years of dedicated service to the district;

**BE IT FURTHER RESOLVED**, that the valuable services of Mark Bautista be memorialized by resolution on the occasion of his retirement from the Monterey Peninsula Airport District on March 31, 2016.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA  
AIRPORT DISTRICT:** This 13th day of April, 2016 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 April, 2016

Mary Ann Leffel, Chair

**A T T E S T**

Michael La Pier, AAE  
Executive Director

**AGENDA ITEM:** H-5  
**DATE:** April 13, 2016

**TO:** Board of Directors  
**FROM:** Michael La Pier, Executive Director  
Scott E. Huber, District Counsel  
**SUBJ:** Consideration of an Ordinance to Regulate Electronic Cigarettes

**BACKGROUND.** The Board may consider the adoption of Ordinance 918 to regulate electronic cigarettes in the same fashion that tobacco cigarettes are regulated by the State of California.

**DISCUSSION.** Under California law, smoking is already prohibited in places of employment, playgrounds, day care facilities, schools, and public buildings. Currently, smoking is not allowed within 20 feet of an entrance or operative window of any public building. There is signage outside of the main terminal building of the Airport that complies with state law. The intent behind the law is to provide areas where individuals may exercise their right to smoke, while preventing exposure to secondhand smoke by individuals who do not wish to be exposed.

Although at this time, there is limited research on the "e-cigarette" devices, the American Lung Association in 2014 spoke out that it is "very concerned about the potential health risks" for consumers. A 2014 study published by researchers at Portland State University lists previously unknown toxins as components in the vapor created by alternative cigarettes. Currently, the Food and Drug Administration is involved in the process of establishing new rules to better regulate and study these products.

The proposed ordinance would regulate electronic cigarettes and other vapor devices in the same fashion as regular cigarettes. The proposed ordinance will help protect the public health, safety, and welfare by reducing the number of locations where exposure to secondhand smoke may occur. Findings in support of the proposed ordinance are incorporated into the attached proposed ordinance.

**BUDGET EFFECT:** None.

**RECOMMENDATION:**

Pass to Print Ordinance No. 918 - AN ORDINANCE OF THE MONTEREY PENINSULA AIRPORT DISTRICT REGULATING ELECTRONIC SMOKING DEVICES ON MONTEREY PENINSULA AIRPORT DISTRICT PROPERTY

**ATTACHMENTS:** Proposed Ordinance.

## ORDINANCE NO. 918

### AN ORDINANCE OF THE MONTEREY PENINSULA AIRPORT DISTRICT REGULATING ELECTRONIC SMOKING DEVICES ON MONTEREY PENINSULA AIRPORT DISTRICT PROPERTY

#### THE BOARD OF DIRECTORS OF MONTEREY PENINSULA AIRPORT DISTRICT DO ORDAIN AS FOLLOWS:

**Section 1. Findings and Purpose.** The Board of Directors finds and declares as follows:

A. Electronic smoking devices, commonly known as “electronic cigarettes,” “ecigarettes,” “e-cigars,” “e-cigarillos,” “e-pipes,” “e-hookahs,” “electronic nicotine delivery systems,” etc., are battery operated devices designed to deliver nicotine, flavor, and/or other substances through a vapor inhaled by the user. (U.S. Food and Drug Administration. (2001). Electronic Cigarettes. Retrieved on September 22, 2015 from <http://www.fda.gov/NewsEvents/PublicHealthFocus/ucm172906.htm>).

B. In 2009, the Food and Drug Administration issued a warning about the potential health risks associated with e-cigarettes, saying laboratory studies of some samples had found the presence of toxic chemicals, including diethylene glycol, which is used in antifreeze. (David Barboza, China’s E-Cigarette Boom Lacks Oversight for Safety, The New York Times, December 13, 2014.)

C. The U.S. Surgeon General concluded that there is no safe level of exposure to secondhand smoke. (US Department of Health and Human Services, Office of the Surgeon General, Secondhand Smoke- What it Means to You (2006) available at: <http://www.surgeongeneral.gov/library/reports/secondhandsmoke/secondhandsmoke.pdf>

D. In 2006, the California Air Resources Board identified secondhand smoke (environmental tobacco smoke) as toxic air contaminant for which there is no safe level. (Available at <http://www.arb.ca.gov/newsrel/nr012606.htm>)

E. It is the intent of the Board of Directors, in adopting this ordinance to regulate electronic smoking devices, to provide further protections for the public health, safety, and welfare by discouraging the behavior of smoking around non-smokers, especially children; by protecting the public from exposure to secondhand smoke; by reducing the potential for children to wrongly associate smoking with a healthy lifestyle; and by affirming and promoting a healthy environment.

**Section 2. Definition.** “Electronic Smoking Device” means an electronic device that can be used to deliver an inhaled dose of nicotine, or other substances, including any such device that is manufactured, distributed, marketed, or sold as an electronic cigarette, e-cigarette, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah or by any



other product name or descriptor. "Electronic cigarette" does not include any inhaler prescribed by a licensed physician.

**Section 3. Regulation of Electronic Smoking Devices.** Electronic Smoking Devices shall be treated as tobacco products for all purposes. The use of Electronic Smoking Devices shall be prohibited in any location where the use of tobacco products is prohibited pursuant to state and/or federal law.

**Section 4. Violations and Public Nuisance.** Any person smoking a tobacco product, including but not limited to an Electronic Smoking Device, where smoking is prohibited by this Ordinance shall constitute a public nuisance. Causing, permitting, aiding, abetting, or concealing a violation of any provision of this Ordinance shall also constitute a violation of this Ordinance.

**Section 5. CEQA.** The Board of Directors has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Because the Ordinance has no potential to cause any effect on the environment, and because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project.

**Section 6. Severability.** If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

**Section 7. Effective Date.** This ordinance shall take effect 30 days from and after the date of its adoption.

**PASSED TO PRINT BY THE BOARD OF DIRECTORS OF THE MOTNEREY PENINSULA AIRPORT DISTRICT:** This 13<sup>th</sup> day of April, 2016, 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 April, 2016

---

Michael La Pier, AAE  
Executive Director

Publication Date:\_\_\_\_\_

**AGENDA ITEM: H-6**  
**DATE: April 13, 2016**

**TO:** Board of Directors  
**FROM:** Michael La Pier, Executive Director  
Scott Huber, District Counsel  
**SUBJ:** Approval of Landlord's Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC

**BACKGROUND.** The Board may consider the approval and execution of a revised Landlord's Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage, located at 1118 Airport Road, owned by Maxi, LLC.

**DISCUSSION:** In 2014, Maxi, LLC purchased Airport Road Storage from the previous owner. At the time of purchase, Maxi, LLC obtained a loan from Kinecta Federal Credit Union. As part of the purchase, the Monterey Peninsula Airport District ("MPAD") approved a Ground Lease Estoppel. The Ground Lease Estoppel gives certain rights, as outlined in the document, to the lender, with some benefits to MPAD, as discussed below. For example, in the event that the owner does not perform pursuant to the lease, MPAD would need to provide notice to the lender prior to cancelling the lease. This gives the lender an opportunity to cure any defaults directly with MPAD.

At the March 9, 2016 Board meeting, Maxi LLC requested approval of a Ground Lease Estoppel and amendment to the Lease to permit Maxi LLC to refinance. The agreement was approved by the Board.

The tenant has 2 follow-up requests that were not known to staff at the time this matter came before the Board in March. First, it has become necessary to change the lender to Deutsche Bank AG, New York Branch, which is part of Deutsche Bank AG. In addition, Maxi LLC has reorganized its corporate structure, such that the tenant will now be Maxi DE, LLC, and the parent company will be Maxi LLC.

It should be noted that in the event of default by Maxi LLC, the Airport has some minimal additional responsibilities regarding notice of the default. In exchange, MPAD has the ability to collect rent and other fees due pursuant to the Lease from GACC. Alternatively, MPAD can declare the lease void through an unlawful detainer action. It should also be noted that MPAD will have absolutely no liability to Deutsche Bank in the event that Maxi DE, LLC fails to repay the loan or otherwise fails to comply with its terms.

The loan being acquired by Maxi DE, LLC is a 20-year loan. Due to a lender requirement, the Ground Lease must continue in existence for 10 years after the scheduled loan payoff. As such, Maxi, LLC requests that the Ground Lease continue through May 31, 2046 to comply with the loan terms. In exchange, staff has negotiated payment of 50% of the total gross revenue from the Subject Property.

Changes to the current proposal from the Ground Lease Estoppel and Third Amendment that was presented to the Board on March 9, 2016 are outlined in the attached revised document.

The Board will consider approval of the attached Ground Lease Estoppel and Third Amendment to Lease.

**BUDGET EFFECT:** With the exception of the five-month extension period, there is no change in the lease payments or the escalation of those lease payments via the annual adjustment in accordance with the consumer price index prescribed in the agreement. There will be an increase in lease payments during the five-month extension period; an increase that is currently not accurately determined.

**RECOMMENDATION:** Approve the Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC

**ATTACHMENT:**  
Ground Lease Estoppel and Third Amendment to Lease

RECORDING REQUESTED BY AND  
WHEN RECORDED, RETURN TO:

Cassin & Cassin LLP )  
711 Third Avenue, 20th Floor )  
New York, New York 10017 )  
Attention: Recording Department )  
 )  
A.P.N. 013-221-020 (PORTION) )  
 )  
 )

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SPACE ABOVE LINE FOR RECORDER'S USE

**GROUND LEASE ESTOPPEL  
AND THIRD AMENDMENT**

**DEUTSCHE BANK AG, NEW YORK BRANCH**, a branch of Deutsche Bank AG, a German  
Bank, authorized by the New York Department of Financial Services ("Lender")

**MONTEREY PENINSULA AIRPORT DISTRICT**,  
a special district of the State of California  
("Ground Lessor")

**MAXI DE, LLC**,  
a Delaware limited liability company  
("Ground Lessee")

DATED:           April          , 2016

LOCATION: Monterey, California

## GROUND LEASE ESTOPPEL AND THIRD AMENDMENT

As of ~~\_\_\_\_\_~~ April, 2016, the undersigned each hereby certify to DEUTSCHE BANK AG, NEW YORK BRANCH, a branch of Deutsche Bank AG, a German Bank, authorized by the New York Department of Financial Services, and to its affiliates and all of their respective successors and assigns (all collectively, "Lender") that:

1. MONTEREY PENINSULA AIRPORT DISTRICT, a special district of the State of California ("Ground Lessor"), is the ground lessor, and MAXI DE, LLC, a Delaware limited liability company ("Ground Lessee"), is the ground lessee, under that certain Land Lease Agreement (the "Ground Lease") effective as of January 1, 1996, executed by and between Ground Lessor and the predecessor in interest to Ground Lessee (the "Original Ground Lessee"), as disclosed by a Memorandum of Ground Lease and Amendment recorded on February 14, 2014, as Instrument No. 20146712, in the records of the Office of the Recorder of Monterey County, California (the "Recorder's Office"), covering the property (real and personal) described in the Ground Lease (the "Ground Leased Premises"), including the real property commonly known as 1118 Airport Road, Monterey, California 93940 and which is more particularly described in Exhibit A attached hereto.

2. The Ground Lease was amended by the First Amendment to Land Lease Agreement (the "First Amendment to Ground Lease") dated June 1, 1997. The Ground Lease was then assigned by Original Ground Lessee to Ground Lessee by way of that certain Assignment and Assumption of Ground Lease (the "Assignment") dated February 12, 2014, and recorded on dated February 12, 2014, as Instrument No. 20146711, in the records of the Recorder's Office. Thereafter, the Ground Lease was further amended by a Second Amendment to Agreement between Maxi, LLC, and Monterey Peninsula Airport District (the "Second Amendment to Ground Lease") dated February 12, 2014. Other than as set forth herein, the Ground Lease has not been assigned, amended, altered, supplemented or modified. This instrument shall constitute and be deemed for all purposes, an amendment to the Ground Lease. All provisions of the Ground Lease, including any prior amendments, not modified by this instrument shall remain in full force and effect.

3. Ground Lessor is the owner and holder of fee simple title to the Ground Leased Premises and the entire interest of the lessor under the Ground Lease. Ground Lessee is the owner and holder of the entire interest of the lessee under the Ground Lease. Neither Ground Lessor nor Ground Lessee have transferred their interest under the Ground Lease.

4. This Ground Lessor authorizes and approves the transfer of the Ground Lease to Maxi DE, LLC, a Delaware limited liability company, which is wholly owned by Maxi, LLC. Maxi, LLC is not released from any liability or responsibility pursuant to the Ground Lease or any of its amendments outlined in this instrument.

5. The Ground Lease has commenced, and as part of this Ground Lease Estoppel and Third Amendment, Ground Lessor hereby executes the option to extend the term of the Ground

Lease for one 10-year period, as outlined in Paragraph 5.2 of the Ground Lease. In addition, the Parties hereby agree that the Ground Lease shall be extended by ~~four~~five months. Accordingly, the Ground Lease shall terminate on ~~April 30~~May 31, 2046, unless sooner terminated or extended pursuant to the respective terms of the Ground Lease. No later than July 1, 2035, the Parties shall exercise reasonable efforts to mutually agree to the fair market value rent for the Extended Term, which commences on January 1, 2036.

6. In consideration for the ~~four~~five month extension of the Ground Lease, as outlined in this instrument, beginning on January 1, 2046 through the end of the Ground Lease, Ground Lessee shall pay to Ground Lessor fifty percent (50%) of the total monthly net revenue generated at the Subject Property. The amounts due pursuant to this paragraph shall be deemed "Additional Rent" and shall be due concurrently with the monthly rent payment beginning on January 1, 2046. The net revenue shall be calculated by adding all revenue generated by the Ground Lessee's business endeavors at the Subject Property during the month prior to the month in which the payment is due, less any reasonable and documented business expenses. Failure to timely pay the Additional Rent shall be deemed a default pursuant to the Ground Lease.

7. In further consideration of the ~~four~~five month extension of the Ground Lease, as outlined in this instrument, No later than July 1, 2045, Ground Lessee shall share with Ground Lessor any and all business records requested by Ground Lessor related to the Subject Property to assist in the transfer of the Subject Property to the Ground Lessor. This shall include, but not be limited to, the following:

- Contracts for all storage unit tenants, including names, addresses, and contact information;
- Rental rates for all storage units;
- Policies and procedures for the operation of all business endeavors of Ground Lessee at the Subject Property;
- Any other relevant business information or documentation requested by Ground Lessor.

8. As of the date hereof, the Ground Lease is in full force and effect, and Ground Lessee and Ground Lessor are in full performance of all covenants of the Ground Lease. There is no existing default or claimed default by either Ground Lessor or Ground Lessee under the Ground Lease. No event has occurred which, with the passage of time or the giving of notice, or both, would constitute a default by either Ground Lessor or Ground Lessee under the Ground Lease. Ground Lessor and Ground Lessee have no existing defenses or offsets against the other party's enforcement of the Ground Lease, and there are no unresolved or pending disputes between Ground Lessor and Ground Lessee with respect to the Ground Lease or the Ground Leased Premises.

9. The basic rent currently payable by Tenant under the Lease is \$56,412.00 per annum. Basic rent due under the Lease has been paid through ~~March~~April 30, 2016 and the next payment is due ~~April~~May 1, 2016. As of the date hereof, no other basic rent, escalation amount or additional

rent is due from Tenant under the Lease. Pursuant to the Ground Lease, rent will increase each year on July 1 in accordance with prescribed consumer price index.

10. There are, with respect to the Ground Lease, escrows, or prepaid rent or liens. There is a security deposit in the amount of \$8,732.00 in possession of the Ground Lessor. Pursuant the Ground Lease, the security deposit will be increased each July 1 and be equal to two (2) month's rent.

11. Ground Lessor unconditionally consents to Ground Lessee's assignment and mortgage of Ground Lessee's interest in the Ground Lease and the Ground Leased Premises to Lender in connection with a loan to be made by Lender to Ground Lessee in the approximate original principal amount of \$[6,400,000] (the "Loan") secured by that certain Deed of Trust being recorded against the Ground Leased Premises (the "Security Instrument"). Ground Lessor represents and warrants that no agreement or joinder of any other party is required in connection with such consent by Ground Lessor.

12. Ground Lessor hereby agrees not to unreasonably withhold, condition or delay any consent requested by Ground Lessee to assign its interest in the Lease or to sublease the Ground Leased Premises. No leasing or licensing of self-storage space at the Ground Leased Premises to members of the public in the ordinary course of Ground Lessee's business shall be deemed an assignment or subletting requiring Ground Lessor's consent.

13. Without the prior written consent of Lender, neither the Ground Lease nor the ground leasehold estate created by the Ground Lease may be modified, amended, surrendered, cancelled or terminated (including without limitation, any termination of or right to terminate the Ground Lease in the event of any condemnation or destruction of all or any portion of the Ground Leased Premises), and that any agreement between Ground Lessor and Ground Lessee purporting to effectuate any of the same without such consent shall be null and void. Ground Lessor agrees that upon a termination of the Ground Lease for any reason, or the rejection or disaffirmation of the Ground Lease in a bankruptcy, insolvency or other proceeding affecting creditors' rights, Ground Lessor shall enter into a new ground lease with Lender upon terms and conditions substantially similar to the Ground Lease.

14. Ground Lessor agrees that, notwithstanding anything in the Ground Lease requiring Ground Lessor's consent in connection with any assignment, sublease, encumbrance or other transfer of the Ground Lease or the Ground Leased Premises by Ground Lessee, Ground Lessor will recognize any purchaser of the Ground Leased Premises at a foreclosure sale in connection with the Loan, any transferee who acquires the Ground Leased Premises by deed in lieu of foreclosure, and the successors and assigns of any such purchaser or transferee (all collectively the "Purchaser"), as their tenant for the unexpired balance (and any extensions, if exercised) of the term of the Ground Lease upon the same terms and conditions set forth in the Ground Lease. Additionally, if Lender succeeds to the interest of Ground Lessee under the Ground Lease, and provided no default pursuant



to the Ground Lease that is reasonably susceptible to cure by Lender is continuing at the time Lender succeeds to the interest of Ground Lessee, Lender shall not be:

- (a) obligated to assume any obligations of Ground Lessee under the Ground Lease accruing prior to the date Lender acquired title to and possession of the Ground Leased Premises; or
- (b) liable for any act or omission of any prior tenant (including Ground Lessee); or
- (c) subject to any offsets or defenses which Ground Lessor might have against any prior tenant (including Ground Lessee); or
- (d) bound by any amendment or modification of the Ground Lease made without its consent; or
- (e) bound by or liable under any provision of the Ground Lease providing for any indemnification of Ground Lessor by Ground Lessee (including without limitation, any such provision relating to any environmental condition of the Ground Leased Premises), other than as such provisions relate to actions of Lender during any period of time when Lender is the tenant under the Ground Lease and in possession of the Ground Leased Premises; or
- (f) liable under the Ground Lease for any amounts in excess of its interest in the Ground Leased Premises or beyond the period of time it is the tenant under the Ground Lease.

15. Lender has not assumed and will not become liable under the terms of the Ground Lease by reason of Lender's acceptance of this Ground Lease Estoppel or any lien or security interest encumbering the Ground Lease or the Ground Leased Premises.

16. Upon the occurrence of any default by Ground Lessee under the terms of the Ground Lease: (a) the Ground Lessor shall provide Lender with notice thereof in the same manner in which and at the same time as the Ground Lessor must provide Ground Lessee with such notice under the Ground Lease, and no exercise of any remedy by Ground Lessor as a result of any such default shall be effective against Lender unless such notice shall have been delivered to Lender, and (b) Lender shall have all rights of Ground Lessee under the Ground Lease, including but not limited to the right to cure such default as if Lender were the Ground Lessee. In addition to the foregoing, Ground Lessor agrees that if Ground Lessee fails to cure any default under the Ground Lease within the time provided for in the Ground Lease, then Lender shall have an additional sixty (60) days within which to cure a monetary default, and an additional sixty (60) days to cure a non-monetary default, or if such default cannot reasonably be cured within that time, then such additional time as may be reasonably necessary to cure such default if within such sixty (60) days Lender has commenced and is diligently pursuing the remedies necessary to cure such default (including, without limitation, commencement of foreclosure proceedings), in which event and while such remedies are being

diligently pursued by Lender, Ground Lessor shall not declare a default under the Ground Lease or exercise any of its rights and remedies (including any rights of self-help except in an emergency situation) under the Ground Lease nor shall the Ground Lease be terminated. Furthermore, Lender shall have no obligation to cure any default or other obligation of Ground Lessee not reasonably susceptible of being cured by Lender, and all of such non-curable defaults shall be deemed waived by the Ground Lessor and Ground Lessor shall not terminate the Ground Lease as a result of any such non-curable defaults. No notice of termination or notice of default given by Ground Lessor under the Ground Lease shall be effective against Lender unless Ground Lessor shall have provided Lender with such notice in strict accordance with this Ground Lease Estoppel.

17. Ground Lessor agrees that, in the absence of an uncured default, it shall not disturb the possession, interest or quiet enjoyment of any person occupying any of the Ground Leased Premises, including Ground Lessee, for any reason or in any manner, except as outlined in the Ground Lease.

18. Ground Lessor agrees that, during the term of the Ground Lease, all improvements on the Ground Leased Premises shall belong to Ground Lessee. Upon receipt of Ground Lessor's prior written approval, which shall not be unreasonably withheld, Ground Lessee may alter, improve and modify any improvements on the Ground Leased Premises.

19. This Ground Lease is for property that is subject to the rules and regulations of the Federal Aviation Administration ("FAA"). Accordingly, this Ground Lease incorporates and is subject to the FAA Grant Assurances, a true and correct copy of which are attached as Exhibit "B" to this instrument.

20. Notwithstanding any provision of the Ground Lease to the contrary (i) solely Lender shall negotiate and control the settlement of any insurance claim with respect to any casualty affecting the Ground Leased Premises, (ii) any insurance proceeds with respect to the Ground Leased Premises shall be applied by Lender in the manner set forth in the Security Instrument, and (iii) the Lease shall not be terminated or modified (other than an abatement of rent) following and because of an event of casualty without the prior written consent of Lender.

21. Without the written consent of Lender, there shall be no merger of any estate or interest in the Ground Leased Premises (whether leasehold, fee, mortgage lien or otherwise) by reason of the fact that any such estate or interest may be owned or held, directly or indirectly, by or for the benefit of any person who now or hereafter owns or holds any one or more other estate or interest in all or part of the Ground Leased Premises.

22. Landlord has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease, the Ground Leased Premises or Landlord's underlying fee interest in the property demised by the Ground Lease (collectively, the "Property"), there are currently no mortgages, deeds of trust or other security interests encumbering Landlord's fee interest in the Property and no third party has an option or preferential right to purchase all or any part of the fee

interest in the Property. Landlord agrees that if it elects to encumber the fee interest in the Property, any such encumbrance shall be subordinate in all respects to (and Landlord will cause any such lender to enter into an agreement with Lender that is reasonably satisfactory to Lender to evidence, among other things, such subordination to) the Security Instrument and Tenant's interest in the Ground Lease.

23. Anything in the Ground Lease to the contrary notwithstanding, all notices between Ground Lessor, Ground Lessee and Lender hereunder shall be in writing, and shall be sent by U.S registered mail, U.S. certified mail, overnight courier or faxed to the following addresses or to the following numbers:

Lender:	<b><u>DEUTSCHE BANK AG, NEW YORK BRANCH</u></b> <u>60 Wall Street, 10<sup>th</sup> Floor</u> <u>New York, New York 10005</u>
	<u>Attention: Robert W. Pettinato, Jr.</u> <u>Facsimile No. (212) 797-4489</u>
and to:	<b><u>DEUTSCHE BANK AG, NEW YORK BRANCH</u></b> <u>60 Wall Street, 10<sup>th</sup> Floor</u> <u>New York, New York 10005</u>
	<u>Attention: General Counsel</u> <u>Facsimile No. (646) 736-5721</u>
with a copy to:	<b>CASSIN &amp; CASSIN LLP</b> 711 Third Avenue, 20 <sup>th</sup> Floor New York, New York 10017
	Attention: Bret R. Salzer, Esq. Facsimile No. (212) 557-2952
	Reference: C&C C/M 2000.118
and a copy to:	<b>KEYBANK REAL ESTATE CAPITAL MARKETS INC</b> 11501 Outlook Street, Suite 300 Overland Park, KS 66211
	Attention: Brent Kivett Facsimile No. (877) 379-1625
Ground Lessee:	Maxi <u>DE</u> , LLC 135 West Main Street, Suite M Aspen, Colorado 81611
Ground Lessor:	Monterey Peninsula Airport District Attn: General Manager 200 Fred Kane Drive, Suite 200

Monterey, California 93940
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or such other address as Lender, Ground Lessee or Ground Lessor may specify to each other in writing from time to time.

24. This Ground Lease Estoppel contains the final and entire agreement between the parties hereto with respect to the subject matter hereof.

25. If any provision of this Ground Lease Estoppel or any application thereof is or becomes, to any extent, invalid or unenforceable, the remainder of this Ground Lease Estoppel and any other application of such provision are not to be affected. The rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Ground Lease Estoppel.

26. This Ground Lease Estoppel shall be binding upon and shall inure solely to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

27. Any waiver of a default or provision under this Ground Lease Estoppel must be in writing and does not constitute a waiver of any other default or provision concerning the same or any other provision of this Ground Lease Estoppel. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver. A consent to or approval of any act shall not be deemed to waive or render unnecessary consent to or approval of any other or subsequent act. Any waiver given by a party shall be null and void if the party requesting such waiver has not provided a complete and accurate disclosure of all material facts relevant to the waiver requested.

28. To the extent of any inconsistency between the terms of the Ground Lease and this Ground Lease Estoppel, the terms of this Ground Lease Estoppel shall control.

29. Ground Lessor and Ground Lessee execute this Ground Lease Estoppel for the benefit of Lender with full knowledge that Lender is relying on this Ground Lease Estoppel in making the Loan to Ground Lessee.

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IN WITNESS WHEREOF, Ground Lessor and Ground Lessee have executed this Ground Lease Estoppel as of the date first indicated above.

**GROUND LESSOR:**

**MONTEREY PENINSULA AIRPORT DISTRICT**, a  
special district of the State of California

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

Print Name:

Title:

**CERTIFICATE OF ACKNOWLEDGMENT**

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF  
COUNTY OF

On \_\_\_\_\_, 2016 before me, \_\_\_\_\_,  
Notary Public, personally appeared \_\_\_\_\_, who proved to me on the  
basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and  
acknowledged to me that he executed the same in his authorized capacity, and that by his signature on  
the instrument the person, or the entity upon behalf of which the person acted, executed the  
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**SIGNATURES CONTINUE ON NEXT PAGE**

**SIGNATURES CONTINUED FROM PREVIOUS PAGE**

**GROUND LESSEE:**

**MAXI DE LLC**, a  
Delaware Limited Liability Company

By: **MAXI, LLC**, a  
California limited liability company, its Sole Member

By: \_\_\_\_\_  
Name: Clayton Gentry  
Title: Sole Member

**~~GUARANTOR:~~**

~~**MAXI, LLC**, a  
California limited liability company~~

\_\_\_\_\_  
By: \_\_\_\_\_  
\_\_\_\_\_  
Name: Clayton Gentry  
\_\_\_\_\_  
Title: Sole Member

## CERTIFICATE OF ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF

On \_\_\_\_\_, 2016 before me, \_\_\_\_\_,  
Notary Public, personally appeared **CLAYTON GENTRY**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

## CERTIFICATE OF ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF

On \_\_\_\_\_, 2016 before me, \_\_\_\_\_,  
Notary Public, personally appeared **CLAYTON GENTRY**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)



## EXHIBIT A

### Legal Description

Real property in the unincorporated area of the County of Monterey, State of California, described as follows:

THAT PORTION OF MONTEREY CITY LANDS TRACT NO. 1 IN THE CITY OF MONTEREY, COUNTY OF MONTEREY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON COURSE (4) IN THE DEED TO MONTEREY PENINSULA AIRPORT DISTRICT, DATED MARCH 3, 1978 AND RECORDED IN REEL 1222 AT PAGE 437, RECORDS OF MONTEREY COUNTY, CALIFORNIA; DISTANT THEREON 54.55 FEET FROM THE SOUTHERLY TERMINUS THEREOF; THENCE CONTINUING ALONG SAID COURSE (4) AND THE BOUNDARY DESCRIBED IN SAID DEED

(1) N. 8 DEG 49' 35" W., 82.73 FEET; THENCE

(2) N. 0 DEG 15' 04" E., 62.79 FEET; THENCE

(3) N. 15 DEG 36' 12" E., 36.15 FEET; THENCE

(4) N. 70 DEG 06' 56" E., 102.99 FEET; THENCE LEAVING SAID BOUNDARY DESCRIBED IN SAID DEED

(5) S. 40 DEG 00' E., 10.00 FEET; THENCE

(6) N. 50 DEG 00' E., 44.45 FEET; THENCE

(7) S. 41 DEG 00' E., 73.69 FEET; THENCE

(8) 9.51 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET, THROUGH A CENTRAL ANGLE OF 27 DEG 15'; THENCE TANGENTIALLY

(9) S. 13 DEG 45' E., 120.07 FEET; THENCE

(10) S. 75 DEG 47' W., 222.66 FEET TO THE POINT OF BEGINNING.

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APN: 013-221-020-000 (PORTION)

## EXHIBIT B

Airport Sponsor Assurances  
(Beginning on Next Page)

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Document comparison by Workshare Compare on Wednesday, April 06, 2016  
5:55:50 PM

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Split/Merged cell	
Padding cell	

Statistics:	
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Deletions	18
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	29

**AGENDA ITEM: H-7**  
**DATE: April 13, 2016**

**TO:** Monterey Peninsula Airport District Board of Directors  
**FROM:** Michael La Pier, Executive Director  
**SUBJ:** Creation/Elimination of Positions and Amendment to the 2016 Salary Schedule Listing Salary Ranges and Pay Steps for the Monterey Peninsula Airport District

**BACKGROUND.** With the retirement of the Deputy General Manager – Planning and Development, and the retirement of the Accounting Manager/Controller, the District is in need of personnel to complete certain tasks performed by those positions. In an effort to streamline tasks and to maximize efficiency within Airport administration, it is proposed that the District eliminate the positions of Deputy Executive Director – Planning and Development, and Accounting Manager/Controller. It is also recommended that the District create the position of Deputy Executive Director – Administration and Finance.

The tasks of this new position will be to provide direction and oversight for all finance, accounting, investment and administrative activities of the Monterey Peninsula Airport District and the Monterey Regional Airport. The job description for the position of Deputy Executive Director – Administration and Finance is attached.

On February 10, 2016, the Board approved the annual salary schedule, listing salary ranges and pay steps for District positions. To reflect proposed elimination of two positions and the creation of a new position, the FY16 salary schedule must be modified.

**SCOPE.** The changes to the FY 2016 Salary Schedule are shown below.

The currently adopted FY 2016 Salary Schedule:

PAY STEPS: ANNUAL, MONTHLY & HOURLY -- FULL-TIME & PART-TIME								
	STEP	1	2	3	4	5	6	7
DEPUTY GENERAL MANAGER - PLANNING & DEVELOPMENT	ANNUAL	108,600	113,184	117,828	122,436	127,032	131,676	136,272
	PER MONTH	9,050	9,432	9,819	10,203	10,586	10,973	11,356
	PER HOUR	52.21	54.42	56.65	58.86	61.07	63.31	65.52
ACCOUNTING MANAGER / CONTROLLER	ANNUAL	85,248	89,028	92,820	96,612	100,392	104,172	107,976
	PER MONTH	7,104	7,419	7,735	8,051	8,366	8,681	8,998
	PER HOUR	40.98	42.80	44.63	46.45	48.27	50.08	51.91

The amended FY 2016 Salary Schedule, if approved, would be:

PAY STEPS: ANNUAL, MONTHLY & HOURLY -- FULL-TIME & PART-TIME								
	STEP	1	2	3	4	5	6	7
DEPUTY EXECUTIVE DIRECTOR - ADMINISTRATION AND FINANCE	ANNUAL	120,000	122,832	125,664	128,500	130,668	132,828	135,000
	PER MONTH	10,000	10,236	10,472	10,708	10,889	11,069	11,250
	PER HOUR	57.69	59.05	60.42	61.78	62.82	63.86	64.90

**IMPACT ON OPERATING REVENUE.** None.

**IMPACT ON OPERATING EXPENSE.** The operating expense related to this position will be reflected in the expense performance of Finance and Administration. Salary and benefits associated with this position will be offset by existing budgeted personnel and personnel related expenses.

**IMPACT ON OPERATIONS.** This position will ensure continuous continuity in the areas of Finance and Administration and will function as a member of senior management under the direction of the Executive Director. The position will provide support to the Executive Director on all matters related to the financial and administrative affairs of the District and the Airport.

**STRATEGIC PLAN.** Not Applicable.

**RECOMMENDATION.** Adopt Resolution No. 1659, A Resolution Amending Resolution No. 1655, A Resolution Authorizing and Approving the Fiscal Year 2016 Salary Schedule Listing Salary Ranges and Pay Steps for the Monterey Peninsula Airport District and Approve the Attached Job Description for the Deputy Executive Director – Administration and Finance.



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## JOB DESCRIPTION

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**JOB CLASSIFICATION:** Deputy Executive Director  
**JOB TITLE:** Deputy Executive Director, Finance and Administration  
**REPORTS TO:** Executive Director  
**APPROVED BY:**

**DEPARTMENT:** Finance & Administration  
**EXEMPT:** Yes  
**APPROVED DATE:** 4/13/16  
**REVISED:**

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**JOB SUMMARY:** As directed by the Executive Director, plans, develops, organizes, implements, directs, controls, evaluates and provides leadership to achieve and administer the Airport District's short range and long range business plans, policies and activities in relation to the Finance and Administration departments.

**ESSENTIAL DUTIES AND RESPONSIBILITIES:** The following duties are performed personally or through subordinate managers and staff. Other duties may be assigned.

### FINANCE AND BUDGET FUNCTIONS

- Develops and implements goals, objectives, policies and procedures for accounting/financial systems, AIP (Airport Improvement Programs), and PFC (Passenger Facility Charge) program.
- Reviews and interprets monthly financial statements, including budget variance analysis and recommendations.
- Refines accounting and financial reporting systems to track expenditures against budget.
- Refines budget data and support systems enabling effective delegation of budget preparation and management to operating managers and Board of Directors.
- Assures timely reporting of financial analysis.
- Assures that Airport District funds are managed and accounted for in accordance with budget and current federal and state regulations.
- Performs special cost studies as directed by the Executive Director.
- Working in conjunction with the Finance Committee of the Board of Directors, prepares annual revenue, operating, and capital improvement budgets for Board review.
- Develops quantitative approaches toward the management of services at MPAD, including development of systems.
- Leads the accounting division in planning and implementing optimal policies/procedures and computer systems to accomplish all MPAD Finance functions.
- Assures accurate and efficient accounting, purchasing, billing and collection.
- Supervises Accounting Department staff.
- Maintains custody of all Finance documentation pertaining to the Airport District.

### ADMINISTRATIVE FUNCTIONS

- Regularly confers with MPAD management team to plan business objectives, develop/update organizational policies, coordinate functions and operations between departments, and establish responsibilities and procedures for attaining objectives.
- Assists departments in the development and maintenance of departmental policies, procedures and work methods.
- Ensures compliance with organizational and departmental policies and procedures.
- Remains informed about and responsive to current and pending legislation and regulations and overall trends affecting the Airport District.
- Maintains liaison with other airport organizations, governmental agencies and airport associations.
- Attends meetings of various associations and organizations necessary to acquire knowledge and information beneficial to the administration of MPAD.
- Reviews activity reports and financial statements to determine progress and status in attaining objectives and revises objectives and plans in accordance with current and forecasted conditions.



- Coordinates with MPAD leadership and other airport managers when representing staff interests in subjects such as: strategic planning, budgeting, and other matters.
- Develops and maintains a liaison with outside professional providers (legal, accounting, outside auditors, insurance agencies, lending institutions, and otherwise) to MPAD. Recommends contract agreements for outside professional services for Board approval.
- Responsible for insurance programs, selection of qualified brokers, and policy review maintaining effective rates for property, fire, E&O, liability, medical, and dental.
- Develops insurance criteria for contracts and tenants.
- Ensures accurate and timely renewal notices and compliance with lease terms and conditions.
- Implements real estate revenue development programs and projections.
- Develops sound public/community relations and communications programming including publications, press releases and newsletters.
- Participates in marketing the Airport, including air service development, to existing and potential tenants.
- Maintains custody of all administration records and documents on behalf of the Airport District.
- Manages and monitors risk exposure.
- Manages administrative staff including administration and accounting.
- Coordinates Human Resource functions.
- May act as Administrative Officer in Executive Director's absence, as designated.

#### **BOARD FUNCTIONS**

- Attends Board Meetings.
- Develops comprehensive action plans as directed, to include financial analysis, report writing, shareholder education, consultant management, etc.
- Attests, publishes (or posts), indexes, records, certifies, distributes and files ordinances, resolutions, minutes and all other official proceedings of the Board.
- Makes oral and written reports to the Board concerning operations of the Airport District with recommendations for change or improvement.
- Coordinates Board regular and special elections with the County Elections department.
- Serves as custodian of District Seal and official District records.
- Other duties as assigned.

**QUALIFICATION REQUIREMENTS:** To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. Requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

#### **EDUCATION AND/OR EXPERIENCE**

- Bachelor's degree in Business Administration with concentration in accounting or finance, or a field closely related to the duties and intent of this position; MBA preferred.
- Previous experience as a senior manager in aviation, corporate or public setting and demonstrated background of increasingly responsible management and financial experience. Knowledge of and experience with the concepts of airport finance preferred.
- Experience in computer system selection, implementation and management. Must have competency and experience in Microsoft Windows applications including spreadsheets, financial analysis, and data base development and forecasting.

#### **LANGUAGE /COMMUNICATION SKILLS**

- Ability to read, analyze, and interpret common technical journals, financial reports, and legal documents.
- Knowledge of general management principles, personnel administration and training, and federal, state and local employment laws.
- Well developed interpersonal skills and ability to effectively present information to, and communicate with, Board Members, department managers, employees, public groups, regulatory agencies and others.



- Practices effective leadership and supervisory skills which foster consensus and cooperation within the Airport District.
- Ability to establish credibility, and be decisive - but able to recognize and support the Airport District's changing priorities.
- Possess exceptional written and verbal communication skills, including accurate grammar and business correspondence knowledge.

#### **MATHEMATICAL /ACCOUNTING SKILLS**

- Must have the ability to apply mathematical concepts such as probability and statistical inference; to apply concepts such as fractions, percentages, ratios, and proportions to practical situations, and; to apply basic concepts of algebra and geometry.
- Must be knowledgeable of accounting principles, laws, regulations, and guidelines.
- Must possess the ability to seek out new accounting methods and principles and be willing to incorporate them into existing accounting practices.
- Must be knowledgeable of principles of governmental accounting, including budgeting, cost reporting, taxation, reimbursement coding, etc.
- Must be knowledgeable in auditing principles and practices.

#### **REASONING ABILITY**

- Ability to define problems, collect data, establish facts, and draw valid conclusions.
- Must possess the ability to make sound independent decisions when circumstances warrant such action.

#### **OTHER SKILLS AND ABILITIES**

- Organized, highly creative and analytical, strategic planner (visionary), independent and self-motivated, enthusiastic, dependable, detail-oriented and driven by excellence.
- Even tempered and able to adjust to tasks in accordance with changing deadlines and priorities.
- Able to establish and maintain cooperative working relationships both within and among other departments.
- Skilled in the principles of effective supervision and training.
- A neat, professional appearance.

**PHYSICAL DEMANDS AND WORK ENVIRONMENT:** The physical demands and work environment described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to walk and sit. The employee is occasionally required to stand; use hands to finger, handle, or feel objects, tools, or controls; stoop, kneel, crouch, or crawl; and taste or smell.
- The employee must occasionally lift and/or move up to 40 pounds, but regularly lifts or pushes items weighing 5-10 pounds.
- Specific vision abilities required by this job include close vision, distance vision, peripheral vision, and color vision.
- The noise level in the work environment is moderate.

**SPECIAL REQUIREMENTS:** Prior to employment, applicant must complete and/or provide all of the following:

- Successful completion of a background investigation.
- Proof of eligibility to legally work in the United States.
- Possess a valid California Motor Vehicle Driver's License and be insurable by the District's insurance provider at the standard rate.
- Pass the District's physical examination, including pre-employment drug testing, in accordance with District's drug/substance abuse policy.





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**ACKNOWLEDGMENT & RECEIPT**

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I acknowledge that I have received, read, and sought clarification of any questions I have about the content of this job description. I further understand that, in order for MPAD to retain necessary flexibility to meet organizational needs, this job description may be modified from time to time.

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Employee Signature

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Date

**RESOLUTION NO. 1659**

**A RESOLUTION AMENDING RESOLUTION NOS. 1640 AND 1655 A RESOLUTION  
AUTHORIZING AND APPROVING THE FISCAL YEAR 2016 SALARY SCHEDULE LISTING  
SALARY RANGES AND PAY STEPS AS ATTACHED**

**WHEREAS**, the Monterey Peninsula Airport District has witnessed the retirement of several senior staff members during March, 2016, and

**WHEREAS**, the Executive Director has determined that a consolidation of duties for those senior positions is warranted at this time, and

**WHEREAS**, the adopted salary schedule must be amended to reflect the consolidated positions and salary amount for FY 2016,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** The compensation of all employees of the Monterey Peninsula Airport District as set forth and prescribed in the 2016 Amended Salary Schedule, Listing Salary Ranges and Pay Steps as amended is hereby approved and adopted. A copy of said schedule is attached hereto and made a part thereof by reference as though the same were set forth in full herein.

**AND BE IT FURTHER RESOLVED:** That there be filed in the office of said District, said Salary and Pay Step Schedule in accordance with public law and designated "Monterey Peninsula Airport District Fiscal Year 2016 Amended Salary Schedule", listing salary ranges and pay steps.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 13<sup>th</sup> day of April, 2016, 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 April, 2016

Mary Ann Leffel, Chair

**A T T E S T**

Michael La Pier, A.A.E.  
Executive Director

**MONTEREY PENINSULA AIRPORT DISTRICT**  
**RESOLUTION NO. 1640, adopted June 17, 2015,**  
**amended by RESOLUTION NOS. 1655 and 1659**  
**April 13, 2016**  
**FISCAL YEAR 2016 SALARY SCHEDULE**

EFFECTIVE: APRIL 13, 2016

**PER CONTRACT**

EXECUTIVE DIRECTOR	ANNUAL	185,000
POLICE CHIEF	ANNUAL	135,000

**PAY STEPS: ANNUAL, MONTHLY & HOURLY -- FULL-TIME & PART-TIME**

	STEP	1	2	3	4	5	6	7
DEPUTY EXECUTIVE DIRECTOR - ADMINISTRATION AND FINANCE	ANNUAL	120,000	122,832	125,664	128,500	130,668	132,828	135,000
	PER MONTH	10,000	10,236	10,472	10,708	10,889	11,069	11,250
	PER HOUR	57.69	59.05	60.42	61.78	62.82	63.86	64.90
HUMAN RESOURCES / RISK MANAGER	ANNUAL	73,176	76,560	79,932	83,328	86,724	90,108	93,456
	PER MONTH	6,098	6,380	6,661	6,944	7,227	7,509	7,788
	PER HOUR	35.18	36.81	38.43	40.06	41.69	43.32	44.93
OPERATIONS MANAGER	ANNUAL	60,600	63,048	65,928	68,856	71,796	74,676	80,220
	PER MONTH	5,050	5,254	5,494	5,738	5,983	6,223	6,685
	PER HOUR	29.13	30.31	31.70	33.10	34.52	35.90	38.57
PLANNING MANAGER / GRANTS	ANNUAL	55,080	61,824	65,928	68,856	71,796	74,676	80,220
	PER MONTH	4,590	5,152	5,494	5,738	5,983	6,223	6,685
	PER HOUR	26.48	29.72	31.70	33.10	34.52	35.90	38.57
PLANNING MANAGER / ENVIRONMENTAL	ANNUAL	55,080	61,824	65,928	68,856	71,796	74,676	80,220
	PER MONTH	4,590	5,152	5,494	5,738	5,983	6,223	6,685
	PER HOUR	26.48	29.72	31.70	33.10	34.52	35.90	38.57
STAFF ACCOUNTANT	ANNUAL	56,304	61,212	65,928	68,856	71,796	74,676	80,220
	PER MONTH	4,692	5,101	5,494	5,738	5,983	6,223	6,685
	PER HOUR	27.07	29.43	31.70	33.10	34.52	35.90	38.57
OPERATIONS SUPERVISOR	ANNUAL	51,768	54,612	57,516	60,408	63,240	66,156	69,000
	PER MONTH	4,314	4,551	4,793	5,034	5,270	5,513	5,750
	PER HOUR	24.89	26.26	27.65	29.04	30.40	31.81	33.17
MARKETING / PUBLIC RELATIONS COORDINATOR	ANNUAL	51,768	54,612	57,516	60,408	63,240	66,156	69,000
	PER MONTH	4,314	4,551	4,793	5,034	5,270	5,513	5,750
	PER HOUR	24.89	26.26	27.65	29.04	30.40	31.81	33.17
ACCOUNTING SPECIALIST	ANNUAL	47,916	50,544	53,328	56,256	59,352	62,616	66,072
	PER MONTH	3,993	4,212	4,444	4,688	4,946	5,218	5,506
	PER HOUR	23.04	24.30	25.64	27.05	28.53	30.10	31.77
EXECUTIVE ASSISTANT	ANNUAL	47,292	49,884	52,620	55,512	58,572	61,788	65,196
	PER MONTH	3,941	4,157	4,385	4,626	4,881	5,149	5,433
	PER HOUR	22.74	23.98	25.30	26.69	28.16	29.71	31.34
OFFICE TECHNICIAN	ANNUAL	40,980	43,236	45,612	48,108	50,760	53,556	56,496
	PER MONTH	3,415	3,603	3,801	4,009	4,230	4,463	4,708
	PER HOUR	19.70	20.79	21.93	23.13	24.40	25.75	27.16
ADMINISTRATIVE ASSISTANT	ANNUAL	35,808	37,776	39,864	42,048	44,364	46,800	49,368
	PER MONTH	2,984	3,148	3,322	3,504	3,697	3,900	4,114
	PER HOUR	17.22	18.16	19.17	20.22	21.33	22.50	23.73
CONFIDENTIAL ASSISTANT	ANNUAL	30,600	32,784	36,060	39,336	43,716	48,072	52,452
	PER MONTH	2,550	2,732	3,005	3,278	3,643	4,006	4,371
	PER HOUR	14.71	15.76	17.34	18.91	21.02	23.11	25.22

**MONTEREY PENINSULA AIRPORT DISTRICT**  
**RESOLUTION NO. 1640, adopted June 17, 2015,**  
**amended by RESOLUTION NOS. 1655 and 1659**  
**April 13, 2016**  
**FISCAL YEAR 2016 SALARY SCHEDULE**

<b>PAY STEPS: ANNUAL, MONTHLY &amp; HOURLY -- FULL-TIME &amp; PART-TIME</b>								
	<b>STEP</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>MAINTENANCE MANAGER</b>	<b>ANNUAL</b>	69,624	73,068	76,488	79,884	83,328	86,736	90,216
	<b>PER MONTH</b>	5,802	6,089	6,374	6,657	6,944	7,228	7,518
	<b>PER HOUR</b>	33.47	35.13	36.77	38.41	40.06	41.70	43.37
<b>MAINTENANCE LEAD WORKER</b>	<b>ANNUAL</b>	46,140	48,360	50,604	52,860	55,116	57,432	59,652
	<b>PER MONTH</b>	3,845	4,030	4,217	4,405	4,593	4,786	4,971
	<b>PER HOUR</b>	22.18	23.25	24.33	25.41	26.50	27.61	28.68
<b>MAINTENANCE WORKER</b>	<b>ANNUAL</b>	36,444	38,268	40,176	42,180	44,292	46,500	48,828
	<b>PER MONTH</b>	3,037	3,189	3,348	3,515	3,691	3,875	4,069
	<b>PER HOUR</b>	17.52	18.40	19.32	20.28	21.29	22.36	23.48
<b>CUSTODIAN</b>	<b>ANNUAL</b>	34,716	36,204	37,656	39,120	40,572	42,036	43,488
	<b>PER MONTH</b>	2,893	3,017	3,138	3,260	3,381	3,503	3,624
	<b>PER HOUR</b>	16.69	17.41	18.10	18.81	19.51	20.21	20.91
<b>POLICE LIEUTENANT</b>	<b>ANNUAL</b>	93,672	95,604	96,372	97,728	99,096	100,440	101,796
	<b>PER MONTH</b>	7,806	7,967	8,031	8,144	8,258	8,370	8,483
	<b>PER HOUR</b>	45.03	45.96	46.33	46.98	47.64	48.29	48.94
<b>POLICE SERGEANT</b>	<b>ANNUAL</b>	87,096	87,852	88,656	89,436	90,216	91,008	91,752
	<b>PER MONTH</b>	7,258	7,321	7,388	7,453	7,518	7,584	7,646
	<b>PER HOUR</b>	41.87	42.24	42.62	43.00	43.37	43.75	44.11
<b>POLICE OFFICER</b>	<b>ANNUAL</b>	69,588	72,048	74,448	76,860	79,320	81,744	84,180
	<b>PER MONTH</b>	5,799	6,004	6,204	6,405	6,610	6,812	7,015
	<b>PER HOUR</b>	33.46	34.64	35.79	36.95	38.13	39.30	40.47

<b>HOURLY WAGE FOR PART-TIME OR TEMPORARY LAW ENFORCEMENT OFFICERS (NO BENEFITS)</b>								
	<b>STEP</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>POLICE OFFICER</b>		30.11	31.18	32.21	33.26	34.32	35.37	36.42

NOTE 1: INDICATED SALARY RATES DO NOT INCLUDE EDUCATIONAL INCENTIVE FOR CERTAIN REPRESENTED POLICE (POA) PERSONNEL.  
EDUCATIONAL INCENTIVE IS: 30 college units = 2.5%, AA degree = 5%, BA/BS = 7%

NOTE 2: INDICATED SALARY RATES DO NOT INCLUDE UNIFORM ALLOWANCE FOR REPRESENTED (POA) POLICE PERSONNEL.  
UNIFORM ALLOWANCE: Full-Time (POA) members: \$80.00 per month, Part-Time (Unrepresented): \$10.00 per pay cycle (only if individual works)

NOTE 3: INDICATED SALARY RATES DO NOT INCLUDE FIELD TRAINING PAY FOR REPRESENTED (POA) POLICE PERSONNEL.  
FIELD TRAINING PAY: 2.5% added to hourly base pay rate for hours worked actively performing training.

NOTE 4: INDICATED SALARY RATES DO NOT INCLUDE NIGHT SHIFT DIFFERENTIAL PAY FOR REPRESENTED POLICE (POA) PERSONNEL.  
NIGHT SHIFT DIFFERENTIAL PAY IS: 2.5% added to hourly base pay rate for hours worked between 10:00 pm and 6:00 am.

NOTE 5: INDICATED SALARY RATES DO NOT INCLUDE LONGEVITY PAY.  
LONGEVITY PAY IS: 15 Years of Service = 2%, 20 Years of Service = 3%, 25 Years of Service = 4%

NOTE 6: INDICATED SALARY RATES DO NOT INCLUDE PAGER/IMMEDIATE RESPONSE PAY FOR MAINTENANCE/CUSTODIAL POSITIONS.  
PAGER PAY: \$200 per week to the individual responsible for pager/immediate response.

NOTE 7: INDICATED SALARY RATES DO NOT INCLUDE AUTOMOBILE ALLOWANCES FOR EXECUTIVE MANAGEMENT POSITIONS.  
AUTO ALLOWANCE: \$650 per month to Executive Director, \$350 per month to Deputy General Manager.

NOTE 8: INDICATED SALARY RATES DO NOT INCLUDE TECHNOLOGY ALLOWANCE FOR EXECUTIVE DIRECTOR.  
TECHNOLOGY ALLOWANCE: \$100 per month to Executive Director.

NOTE 9: INDICATED SALARY RATES DO NOT INCLUDE COMPENSATION FOR THE BOARD OF DIRECTORS.  
DIRECTOR COMPENSATION: \$100 per meeting/day of service; not to exceed \$400 per month.

**TO:** Board of Directors  
**FROM:** Michael La Pier, Executive Director  
Scott Huber, District Counsel  
**SUBJ:** Consideration of a "Dig Once" Ordinance

**BACKGROUND.** Broadband infrastructure, or fiber optic networks, has been identified as a fundamental need for the Monterey Peninsula for several years. The Central Coast Broadband Consortium has been working over the last three years on regional efforts and a set of comprehensive regional broadband policies. One component of this effort is the formation of a "dig-once" ordinance, which will help streamline infrastructure improvements.

**DISCUSSION:** On December 9, 2015, the Board received a presentation by Brian Turlington, Executive Director of the Monterey County Business Council, which supports the Central Coast Broadband Consortium (CCBC). The CCBC is a broadly based, ad hoc group of local governments and agencies, economic development, education and health organizations, community groups and private businesses. CCBC is dedicated to improving broadband availability, access and adoption in Monterey, Santa Cruz and San Benito Counties.

Consistent with Central Coast Broadband Consortium and Next Century Cities' recommended best practices, a dig-once ordinance is the first pivotal policy to help streamline broadband infrastructure improvements. When any entity is proposing to open streets and rights-of-way for utility construction, cost efficiencies can be realized because multiple entities can join in the single dig, reducing costs as well as reducing disruption to the road surface.

The proposed dig-once ordinance establishes the following guidelines for Airport property:

- All construction, reconstruction or repaving of Airport right-of-way will include provisions for the installation of telecommunications cable, conduit and other related equipment wherever practical and feasible.
- Where appropriate, telecommunications infrastructure shall be installed in or adjacent to Airport rights-of-way in conformance with current Airport standards.
- Airport staff will work with contractors to identify the most cost-effective approach consistent with Airport requirements.
- If a public or private project includes excavation in or adjacent to a Airport right-of-way, installation of or upgrades to telecommunications cable, conduit or other infrastructure will be included as needed, with the Airport responsible for the incremental cost.
- Once a construction, reconstruction, or repaving project is initiated, Airport staff will notify all known providers of the opportunity to join the open trench and help coordinate efforts for multiple parties to join the dig.
- All installations shall conform to the size, shape, location and other specifications as determined by the Planning and Development Department.

- To incentivize participation, a moratorium on disturbing the road way surfacing and public right-of-way of a period of one year is adopted following a construction project.

To enact the above guidelines and require compliance from contractors proposing construction projects at the Airport, staff has prepared the proposed dig-once ordinance.

The Board will consider approval of the attached dig-once ordinance.

**BUDGET EFFECT:** No fiscal impact at this time. Future opportunities for public-private partnerships may require some investment related to the placement of conduit during a construction project that is not initiated by the Airport.

**RECOMMENDATION:** Pass to Print Ordinance No. 919 – AN ORDINANCE OF THE MONTEREY PENINSULA AIRPORT DISTRICT REGARDING TELECOMMUNICATIONS IMPROVEMENTS ON MONTEREY PENINSULA AIRPORT DISTRICT PROPERTY

**ATTACHMENT:** Proposed Ordinance.

## **ORDINANCE NO. 919**

### **AN ORDINANCE OF THE MONTEREY PENINSULA AIRPORT DISTRICT REGARDING TELECOMMUNICATIONS IMPROVEMENTS ON MONTEREY PENINSULA AIRPORT DISTRICT PROPERTY**

#### **THE BOARD OF DIRECTORS OF MONTEREY PENINSULA AIRPORT DISTRICT DO ORDAIN AS FOLLOWS:**

##### **Section 1. Findings and Purpose.** The Board of Directors finds and declares as follows:

A. The 21st-Century economy is dependent upon affordable, high-speed internet access that encourages competition and enables the entire community to access the internet and compete in the world-market with gigabit fiber infrastructure; and

B. The Monterey Peninsula Airport District ("MPAD") is pursuing potential broadband infrastructure opportunities that advance the economic and community benefits of a robust broadband infrastructure for the community, tenants and visitors at the Monterey Regional Airport; and

C. It is the intent of the District, in enacting this Ordinance, to streamline and simplify the process of installing and upgrading telecommunications equipment throughout the Airport property, and to encourage improvement and modernization of telecommunications infrastructure; and

D. Access to modern telecommunications infrastructure is vital for communication, education and economic development; and

E. It is the responsibility of the District to protect and control access to public rights-of-way; and

F. It is necessary to update District policies and practices to recognize the authority of the California Public Utilities Commission as established in state and federal statutes; and

G. A dig-once policy is the first pivotal step to help streamline broadband infrastructure improvements when any entity is proposing to open streets and rights-of-way for utility construction, cost efficiencies can be realized because multiple entities can join in the single dig, reducing costs as well as reducing disruption to the road surface; and

H. The proposed dig-once policy is consistent with the Central Coast Broadband Consortium and Next Century Cities' recommended best practices; and consistent with approved policy in many local jurisdictions.

##### **Section 2. Definitions.** For purposes of this Ordinance, the following definitions shall apply:

"Telecommunications" refers to data, voice, video or other information provided by wire, fiber optic cable or other technology.

"Facilities" and "Infrastructure" refers to wires, cables, conduit, switches, transmission equipment or other equipment for use in transmitting or processing telecommunications services or for providing support or connection to such equipment.

"Rights-of-way" refers to the area upon or adjacent to any District-owned road, highway or rail line or along or across any of the waters or lands owned or controlled by the District.

"Service providers" refers to any person, company, corporation or other entity providing data, voice, cable, video or other information services by wire, fiber optic cable or other technology.

"Excavation" refers to any process which removes material from the ground through digging, drilling, boring or other activity for the purpose of installing utilities, infrastructure or other structures or equipment.

"Conduit" refers to a tube, duct or other device or structure designed for enclosing telecommunication wires or cables.

"Reconstruction" refers to any project which repairs or replaces fifty percent or more of an existing road, highway or rail line.

"District telecommunications infrastructure" shall mean conduits, pull boxes, and other facilities that are used by the District to provide or support communications services.

"Incremental cost" shall mean the cost associated with adding District communications infrastructure to an excavation project, including the cost of the materials needed by the District and any additional labor costs.

**Section 3. Telecommunications Infrastructure Improvement.** In recognition of the need to provide local residents and businesses within the community with the infrastructure required to meet their telecommunications needs, all construction, reconstruction or repaving of a District right-of-way will include provisions for the installation of telecommunications cable, conduit and other related equipment wherever practical and feasible. Where appropriate, telecommunications infrastructure shall be installed in or adjacent to District rights-of-way in conformance with current District standards. District staff will work with contractors to identify the most cost-effective approach consistent with District requirements. If a public or private project includes excavation in or adjacent to a District right-of-way, installation of or upgrades to District telecommunications cable, conduit or other infrastructure will be included as needed. The District shall be responsible for the incremental costs when the District participates in an excavation project by installing District telecommunications infrastructure. District



staff will notify all known providers of the opportunity to join the open trench and help coordinate efforts for multiple parties to join the dig. All installations shall conform to the size, shape, location and other specifications as determined by the Executive Director, or his or her designee.

#### **Section 4. Exemption.**

The Executive Director, or his or her designee, may exempt projects from the requirements of this chapter where compliance is found to be not practical or feasible. Requests for an exemption shall be in writing, and the Executive Director's or his or her designee's decision shall be final.

An exemption application shall include all information necessary for the Executive Director, or his or her designee, to make a decision, including but not limited to documentation showing factual support for the requested exemption.

The Executive Director, or his or her designee, may approve the exemption application in whole or in part, with or without conditions.

#### **Section 5. Enforcement.** Enforcement of this ordinance shall be as follows:

The Executive Director, or his or her designee, shall have primary responsibility for enforcement of this ordinance and shall have authority to issue citations for violation of this chapter. The Executive Director, or his or her designee, is authorized to establish regulations or administrative procedures to ensure compliance with this chapter and establish the standard methodology for determining the incremental costs associated with installing District communications infrastructure in excavation projects;

A person or entity violating or failing to comply with any of the requirements of this chapter shall be guilty of an infraction.

The District may seek legal, injunctive, or any other relief to enforce the provisions of this chapter and any regulation or administrative procedure authorized by it.

The remedies and penalties provided in this chapter are cumulative and not exclusive of one another.

The Executive Director, or his or her designee, may inspect the premises of any construction, reconstruction, repaving or excavation project to verify compliance with this ordinance.

#### **Section 6. Violations.** A violation of this ordinance is hereby declared to be a public nuisance. Any violation described in the preceding paragraph shall be subject to abatement by the District, as well as any other remedies that may be permitted by law for public nuisances, and may be enforced by injunction, upon a showing of violation.

**Section 7. Severability.** If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

**Section 8. No Conflict with Federal or State Law.** Nothing in this ordinance shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any Federal or State law.

**Section 9. Preemption.** The provisions of this chapter shall be null and void if State or Federal legislation, or administrative regulation, takes effect with the same or substantially similar provisions as contained in this chapter. The Board of Directors shall determine whether or not identical or substantially similar statewide legislation has been enacted or regulations issued.

**Section 10. Effective Date.** This ordinance shall take effect 30 days from and after the date of its adoption.

**PASSED TO PRINT BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 13<sup>th</sup> day of April, 2016, 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 April, 2016

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Michael La Pier, AAE  
Executive Director

Publication Date:\_\_\_\_\_