

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

February 9, 2021 - 3:00 PM

SPECIAL AND URGENT NOTICE ELIMINATING IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the directives contained in the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Board of Directors of the Monterey Peninsula Airport District is required to limit in-person attendance at the upcoming Board Committee meeting. Members of the public may utilize alternative measures established by the Monterey Peninsula Airport District to listen to Board meeting and/or to communicate your opinions to the Board Members. To participate in the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: 814 3006 9100. The password for this meeting is: 20210209. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

Members of the public who wish to provide comment on an item on the agenda may do so during the meeting prior to the item being considered by the Board.

A. CALL TO ORDER

The meeting was called to order at 3:09 PM. Director Cursio, Director Miller and Executive Director La Pier were in attendance.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Discussion 1. Leasing Activity Review

Executive Director La Pier reviewed the current status of leases with J&J Auto Body as well as Constance Laub with the committee. J&J is now current on rent payments as of the morning of February 9th. Laub is significantly delinquent and has indicated she is unable or unwilling to pay past due rent. A Pay or Quit letter was sent on February 8th, giving her 14 days to correct the past due balance or her lease will be terminated. The Committee inquired about the properties she leases. La Pier explained she leases a hangar and office space in a building owned by the airport on the southeast side of the airport.

La Pier updated the committee on the flooring project for the restaurant. He reported that the new flooring had been approved and, once the contractors' insurance certificate had been received, the flooring project would begin. The restaurant operator hoped to have the new flooring installed within two weeks in the hope that some level of indoor dining would be allowed.

La Pier also updated the committee on the status of the 4 hangar tenants and 8 tie-down tenants currently located on the general aviation ramp in front of the old Navy Flying Club facilities. La Pier reported that new hangars had been offered to the current hangar tenants and that, as a result, the airport hangars were fully occupied. He indicated that efforts were underway to remove hangar tenants that are currently using the hangar for storage only and that, once completed, the hangar would be offered to the tie-down tenant. There was discussion regarding FAA's position relative to the use of

hangars. Director Miller indicated he understood the FAA would allow hangars to be used for purposes other than aircraft storage until such time as an aircraft owner requested hangar space. La Pier indicated that Director Miller's understanding is in fact correct. Since we are at full occupancy and have aircraft owners asking for hangar space, we are beginning the process of removing the storage users to accommodate the aircraft owners.

Discussion 2. Reef Parking

Executive Director La Pier reported to the Committee that the concession agreement with Republic Parking / REEF Parking ends on June 30, 2021. The operator has reached out to begin discussions regarding activating a mutual 5-year option. La Pier reported that he has had discussions with REEF representatives and has indicated he would like to look at other possible options before entering an extension. La Pier indicated he has asked Tim Bergholz to take the lead on exploring the feasibility of the Airport taking over the parking operation as several other airports of similar size have done recently. He reviewed with the committee historical revenues generated by the parking concession that indicated during the period FY16 through FY19, the airport has received an average annual income of \$845,000.00 while Republic / REEF has earned on average of \$465,000.00.

Director Cursio asked about the cost of operation of the parking concession. La Pier indicated that was the primary focus of the investigation that is underway. With some business model changes similar to those at San Jose International Airport, La Pier indicated he was hopeful the operating cost would minimize and a good portion of the revenues earned by Republic / REEF would then become net new revenues to the Airport. Director Miller asked when the investigation was going to be complete. La Pier indicated he thought it might take a month or so to complete the analysis.

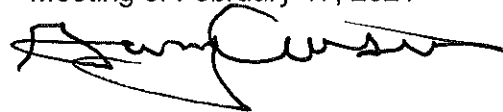
Discussion 3. Schedule Next Meeting

Scheduling the next meeting was deferred.

E. ADJOURNMENT

The meeting adjourned at 4:02 PM.

Minutes Approved at the
Meeting of February 17, 2021



Gary Cursio, Chair

ATTEST



Michael La Pier, AAE
District Secretary