

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

March 9, 2016 10:00 AM

**Board Room, 2nd 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

1. Achievement of Accredited Airport Executive Status

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

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 February 10, 2016](#)

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. Aviation Fuel Tax by Jim Lites, California Airports Council
- Presentation 2. 75th Anniversary Marketing and Public Relations Plan
- Approve 3. [U.S. Enterprises, Inc d/b/a Corey Airport Services Agreement for Terminal Advertising Concession](#)
- Adopt 4. [Resolution No. 1656, Establishing an Air Carrier Incentive Program for New and Expanded Air Carrier Service at Monterey Regional Airport](#)
- Approve 5. [Board Attendance at Future Conferences](#)
- Approve 6. [Landlord's Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC](#)
- Presentation/ Discussion 7. Potential Regulation of Electronic Cigarettes

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 – two cases.

K. RECONVENE TO OPEN SESSION

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

(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**

February 10, 2016 10:00 AM

A. CALL TO ORDER/ROLL CALL

Chair Leffel called to order the Regular Meeting of the Board of Directors at 10:00am. Directors Miller, Sabo and Searle were present. Director Nelson arrived at 10:07am. The following District officers were present: Executive Director La Pier, Acting Board Secretary Porter and Auditor Merritt. District Counsel Huber was absent. Dave Ritchie, Cota Cole, was Acting District Counsel.

B. PLEDGE OF ALLEGIANCE

Director Miller led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Director Miller announced that he attended the 56th Annual SWAAAE Airport Management Short Course Conference at the Monterey Plaza Hotel. He presented a written report to the Board and gave a brief synopsis on the following topics: Small Non-Hub Commercial Airport Health, Sales Tax on Aviation Fuel Sales, Customs and Border Protection and FAA Updates.

D. PUBLIC COMMENTS

None.

E. CONSENT AGENDA – ACTION ITEMS

Approve 1. Minutes of the Regular Meeting of January 13, 2016

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

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

None.

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. Transportation Agency for Monterey County Ballot Initiative

Theresa Wright, Transportation Agency for Monterey County, presented Item H.1.

Adopt 2. Resolution No. 1655, A Resolution Amending Resolution No. 1640, A Resolution Authorizing and Approving the Fiscal Year 2016 Salary Schedule Listing Salary Ranges and Pay Steps for the Monterey Peninsula Airport District

Michael La Pier, Executive Director, presented Item H.2.

Director Miller moved to adopt Resolution No. 1655. Director Sabo seconded the motion. The motion passed by a roll call vote of 5-0.

RESOLUTION NO. 1655

A RESOLUTION AMENDING RESOLUTION NO. 1640 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 and Police Chief Jeff Hoyne have executed an employment agreement that was effective January 16, 2016, and

WHEREAS, the Agreement provides for an annual salary amount set by that agreement, an annual salary amount different than the adopted salary schedule 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 10th day of February, 2016, by the following roll call vote:

AYES:	DIRECTORS:	Miller, Nelson, Sabo, Searle, Chair Leffel
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None

Approve 3. Broker of Record Agreement

Mike La Pier, Executive Director, presented Item H.3.

Director Sabo moved to approve the Broker of Record Agreement. Director Miller seconded the motion. The motion passed by a roll call vote of 5-0.

Approve 4. Landlord's Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC

Michael La Pier, Executive Director, suggested to the Board that Item H.4 be removed from the regular agenda for the reason being that this was the topic of Closed Session Item J.2.

Director Nelson moved to remove Item H.4. Director Miller seconded the motion. The motion passed unanimously.

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 | |

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 – one case.
2. **REAL PROPERTY NEGOTIATIONS** (Government Code Section 54956.8) the Board will meet with Real Property Negotiators, Executive Director and District Counsel, regarding the property identified as a 1118 Airport Road, Monterey CA, 93940.

K. RECONVENE TO OPEN SESSION

Chair Leffel reported that no action was taken in closed session.

L. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- *Update on the plan to cool the terminal holding room*
- *Eastside Parkway Road*
- *Mid-Year Budget Review & Planning Workshop*
- *Dig Once Policy Resolution*
- *E-Cigarettes*

M. DISCUSSION OF FUTURE AGENDAS

- *Approval of future conferences*
- *Monterey County Fuel Tax Proposal*
- *Customs and Border Protection*
- *Instrument Landing System*
- *Letter to Congress regarding FAA Reauthorization*

N. ADJOURNMENT

The meeting adjourned at 12:31pm.

AGENDA ITEM: G
DATE: March 9, 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](#)

Jerry Merritt, District Auditor/Controller
[Financial Summary](#)

Mark Bautista, Deputy General Manager, Planning & Development
[P & D Monthly Project Report](#)

TO: Mike La Pier, Executive Director
FROM: Jennifer Hickerson, Marketing & Public Relations Coordinator
DATE: March 2, 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.

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. They noticed we have more traffic coming from LAX than to LAX so the schedule change will benefit those coming from LAX.
- G4 (Allegiant) – LAS service continues Thursdays and Sundays.
- AA – PHX service continues three times a day, with CRJ900 equipment continuing to operate the mid-day turn.
- UA SFO – SFO service continues twice a day. We will see increased CRJ700 service on this route, with the evening turn and some RONS operating with the larger aircraft towards the end of the month. The LAX flight continues three times a day with the exception of Saturdays, when the mid-afternoon turn will not operate.

Air Service Development

- We are working closely with Alaska Airlines to help them develop a marketing plan for a \$100,000 - \$200,000 marketing spend they have planned for April. They are looking to increase the loads on the Los Angeles flight and promote the San Diego flight alongside it.
- We have been receiving very valuable travel data from our partners on the Air Service Task Force. We will be using this information in our airline presentations.
- We have submitted a letter of interest to be considered a candidate for participation in the reimbursable services program through U.S. Customs and Border Protection.

Public Relations:

- Social Media/Facebook: "Total Likes" continue to grow – **13,610** as of February 26th.
- Santa Cruz Warriors: The "Road Warrior" contest ended on February 29th. We had 452 entries.
- California Rodeo Salinas: We will partner with the Rodeo again this year. We have scheduled the joint Chamber mixer for June 21st.
- California International Airshow Salinas: We are working with Bruce Adams to come up with a sponsorship trade that will enable us to promote our 75th Anniversary.
- Santa Cruz Chamber: We joined the Santa Cruz Chamber. We will have a booth at their Business Expo on March 16th in Santa Cruz.
- Aptos Chamber: We recently joined the Aptos Chamber.
- Monterey Peninsula Chamber: I have been volunteering with the Annual Dinner Committee. The Annual Dinner is scheduled for March 12 at the Marriott. I am up for Volunteer of the Year along with 11 other chamber volunteers.
- Community Day: Chris Chidlaw and I are meeting with the Monterey Jet Center to discuss the possibility of partnering on a Community Day as part of our 75 year celebration.
- Certified Folders: We have entered into an agreement with Certified Folders to handle the brochure distribution in the terminal beginning in May. They do an excellent job of keeping their brochure racks looking clean and full. They will pay us a percentage of their sales.

Customer Service:

- Customer Comment Cards: see January responses attached.

Date	Time	Pax	Airline	Flt #	Tone	Comments	Name	Address
		Was						City & State
1/31	1100	N	AE		N	I was getting a rental car and I missed my bag by a few minutes. No one was there to help me.		
2/7	615	N	AE		N	Worst travel experience. Arrive 29 minutes before flight no one was at desk.	W.C.	Pebble Beach, CA
2/13	1055	P	UA		P	First time using airport. Impressed by efficiency and cleanliness.	M.P	PG, CA
2/18	1345	P	AA		P	Very polite friendly staff	C.O.	
2/27	1145	B	AA		N	Paint floor of deli and sales would double.	K.J.	
2/27	1530	A	AL	540	N	Too much walking to the gate. Very lengthy delay of luggage.	Y.K.	

TO: Michael La Pier, Executive Director
FROM: Operations Manager Griggs
DATE: March 2, 2016
SUBJ: Operations Report

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

1. The Super Bowl traffic counts for MRY produced marginally fair amounts of aircraft traffic this month. Culminating with the AT&T Pro-Am traffic, overall operations were up 26% compared to last February.
2. The annual Part 139 certification inspection is being held this week. The results of the inspection can be provided during the departmental updates report at the Board Meeting.
2. The [Noise Comment Report](#) is attached.
3. The [Operating and Expense Report for the Taxi Open-Entry System](#) is attached.
4. Attached is the [Uber January activity report](#).
5. The [Commercial Flight Cancellations & Delays Report](#) is attached.
6. Attached is the [Commercial Flight Schedule](#) for March 2016.
7. Below is the summary of scheduled airline activity for March 2016:

Alaska Air flown by Horizon

- Continuing to operate one daily departure to San Diego and Los Angeles
- Scheduled to operate a total of 124 flights (Arrivals and Departures)

Allegiant Air

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

United flown by SkyWest

- Three daily LAX departures (two on Saturdays)
- Two daily SFO departures
- Scheduled to operate a total of 278 flights (Arrivals and Departures)

American Eagle flown by SkyWest/Mesa

- Service to PHX resumes to four daily departures. Long range forecasts indicated the fourth flight will remain through the rest of the year.
- The CRJ900, flown by Mesa, will continue to operate the morning, midday and late afternoon flights. The early evening flight is flown by SkyWest (CRJ200).
- Scheduled to operate a total of 244 flights (Arrivals and Departures)

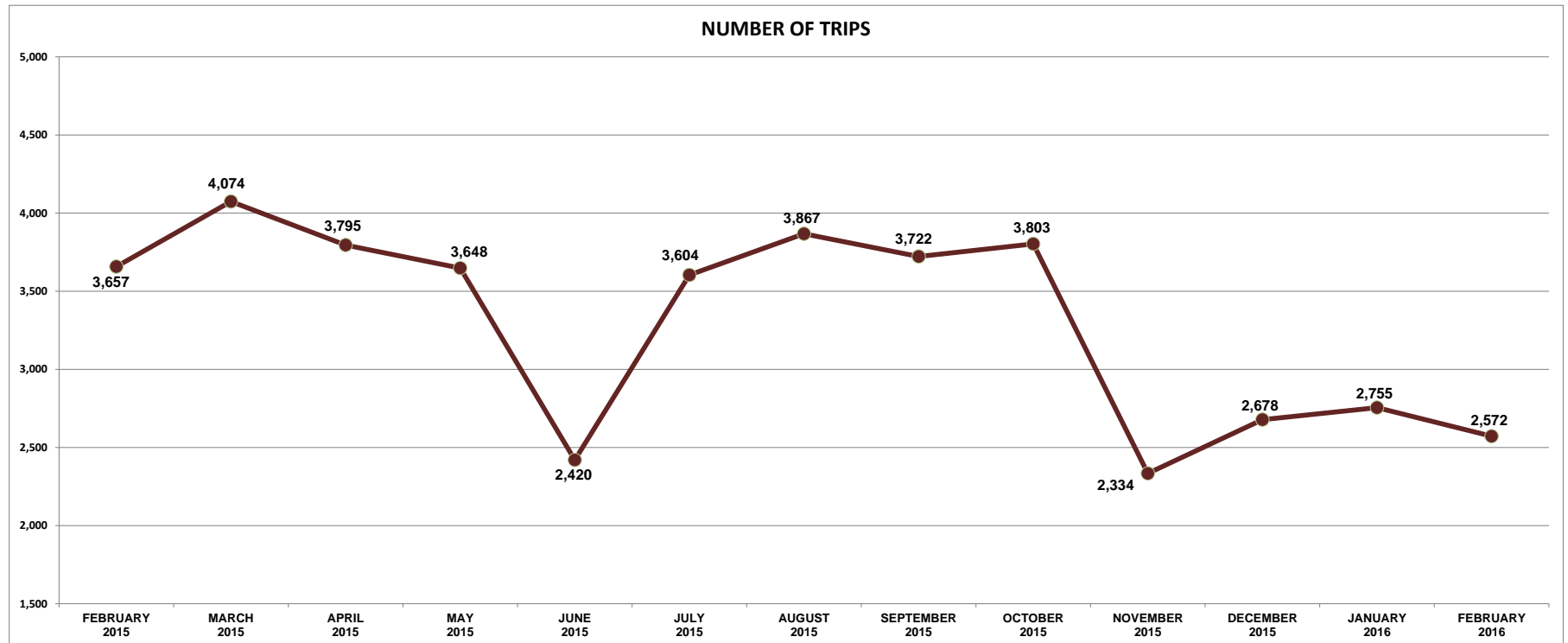
Cumulatively speaking, the airlines have scheduled 20 more flights (664 vs. 644) as compared to last March. This is primarily due to the added fourth PHX flight flown by American Eagle.

MRY AIRPORT NOISE COMMENT LOG **FEBRUARY 2016**

	Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Notes
AIR OPERATIONS CENTERED AT MONTEREY AIRPORT										
1	Barbara Lovero	Pasadera	2/1, 2/2, 2/3, 2/4, 2/6, 2/7, 2/8, 2/9, 2/10, 2/12, 2/13, 2/14, 2/15, 2/16, 2/17, 2/18, 2/19, 2/20, 2/25, 2/26	multiple	multiple	landing RWY 28L	Ongoing concerns regarding changes to RWY 28L RNAV approaches.	NG	Documented.	Ops has corresponded at length with complainant regarding this issue.
2	Marie Zoueihid	Pebble Beach	2/2/2016	3:05pm	Cessna Citation	departing RWY 28L	There has been an increasing number of noisy low flying planes disturbing the peace and quite of our neighborhood.	NG	ATCT advised internal procedure change will resolve this issue.	Complainant advised most observations are aircraft departing MRY.
3	Anne Downs	Pacific Grove	last several months	all day	multiple	arriving 10R and departing 28L	Increased aircraft noise over PG.	NG	ATCT advised internal procedure change will resolve issue relating to RWY 28L departures.	Arrivals to 10R likely increased due to restoration of ILS and inclement weather.
4	Mark Rothberg	Carmel	last several months	all day	multiple	multiple	Increased aircraft activity over Carmel	NG	Increased activity believed related to above complaints.	Advised complainant to call back with additional observations if prudent.
5	Douglas Flaherty	CONA	2/8/2016	12:26pm	King Air	departing RWY 28L	Hard right turn at no more than 50 feet to a 75 degree bank and went by my house at 200 feet on climb out turning ESE	NG	ATCT provided tail # for further contact.	
6	William McCrone	Pasadera	2/9/2016	multiple	multiple	landing RWY 28L	Aircraft flew directly over the homes on Belladara Court at approximately 300-400 ft.	NG	Documented.	Ops has corresponded previously with complainant regarding status of RNAV approaches.
7	Marie Zoueihid	Pebble Beach	multiple days	multiple	multiple	departing RWY 28L	See Entry #2. Follow-up complaint provided documentation of multiple observations	NG	ATCT advised internal procedure change will resolve issue relating to RWY 28L departures.	Procedure change in progress as of 2/10 per ATCT ATM.
8	Mark Rothberg	Carmel	recently	multiple	multiple	multiple	General increased aircraft activity and single engine orbiting over Carmel	NG	See Entry #4/7.	Complainant is likely observing variety of ops, including photo work due to AT&T tournament.
9	Renate Wunsch	Carmel	recently	multiple	Stationair and others	multiple	General increased aircraft activity and single engine orbiting over Carmel	NG	ATCT advised internal procedure change will resolve issue relating to RWY 28L departures.	Complainant is likely observing variety of ops, including photo work due to AT&T tournament.
10	Denise Guzik	Corral De Tierra	2/14/2016	all day	multiple	landing RWY 28L	Airplanes have been flying near and/or over my house nearly all day.	NG	Advised complainant of change to RWY 28L apch procedures and ongoing efforts to restore localizer apch.	Also provided MPAD-produced document and FAA Noise Ombudsman info.
11	Ellen Martin	Carmel	2/15/2016	8:45pm	Q400	arriving RWY 10R	Large aircraft with a really loud sound right over Carmel	NG	ATCT advised arriving Alaska flight from LA on visual approach	
12	Nina Beety	Mar Vista	2/17/2016	2:45	White small jet	departing RWY 28L	Increased aircraft activity over my area	KG	ATCT authorized a left hand departure for this operation.	Efforts are made by ATCT staff to reduce left hand turn departures as best as practical.
AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT										
AIR OPERATIONS OF UNKNOWN ORIGIN										
MONTHLY TOTALS and COMPARISONS										

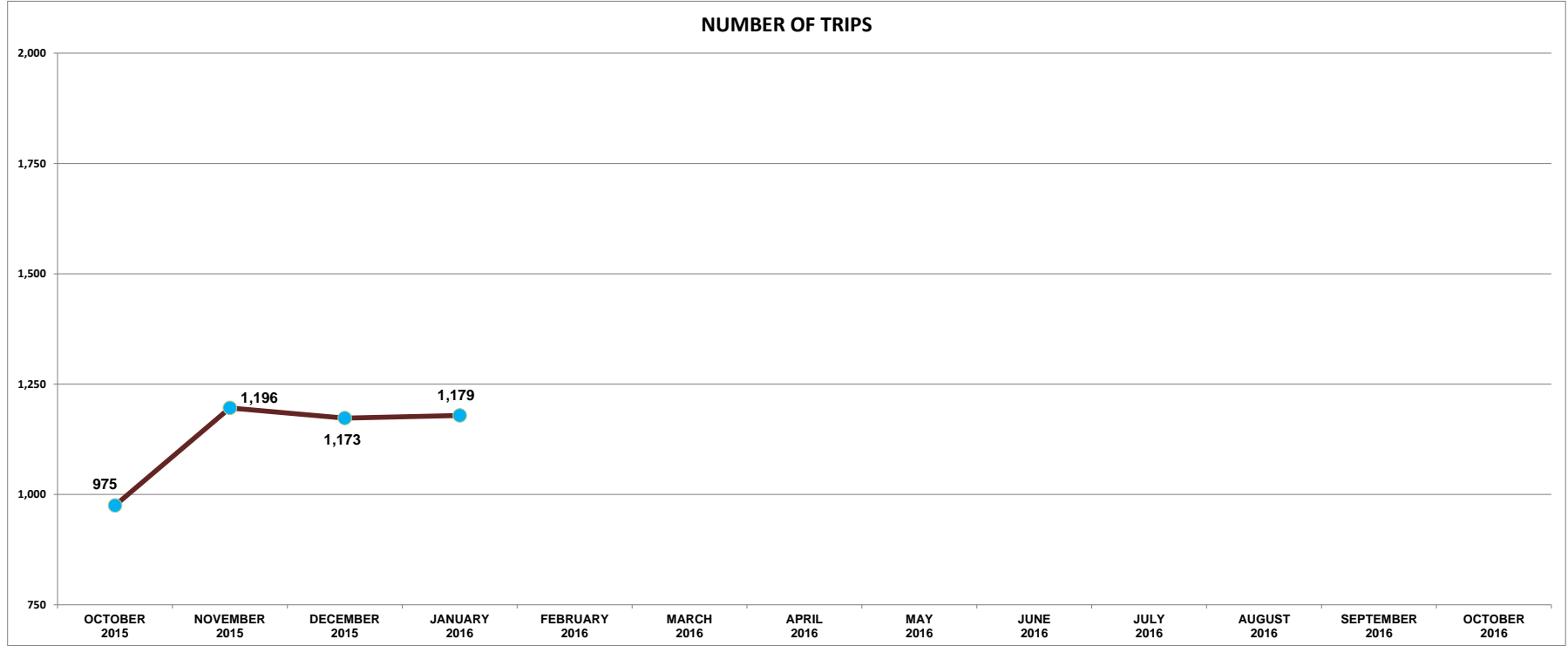
	Feb-16	Feb-15	% Change	Other Airport	UNKNOWN ORIGINS
Number of Complaints:	12	4	200%		
Number of Operations:	7,965	6,335	26%		
			% Change		
Annual Total	24	11	118%	0	0

13-MONTH ROLLING COMPARISON



	2015 FEBRUARY	2015 MARCH	2015 APRIL	2015 MAY	2015 JUNE	2015 JULY	2015 AUGUST	2015 SEPTEMBER	2015 OCTOBER	2015 NOVEMBER	2015 DECEMBER	2016 JANUARY	2016 FEBRUARY
NUMBER OF TRIPS	3,657	4,074	3,795	3,648	2,420	3,604	3,867	3,722	3,803	2,334	2,678	2,755	2,572
NUMBER OF CABS	124	127	128	128	129	101	105	111	115	115	115	115	116
TAXI TRIP FEES	\$ 10,971	\$ 12,222	\$ 11,385	\$ 10,944	\$ 7,260	\$ 10,812	\$ 11,601	\$ 11,166	\$ 11,409	\$ 7,002	\$ 8,034	\$ 8,265	\$ 7,716
TAXI MEDALLION FEES ¹	\$ 2,458	\$ 2,743	\$ 2,271	\$ 2,208	\$ 2,271	\$ 2,104	\$ 3,104	\$ 3,604	\$ 2,917	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,354
TAXI - TOTAL REVENUE	\$ 13,429	\$ 14,965	\$ 13,656	\$ 13,152	\$ 9,531	\$ 12,916	\$ 14,705	\$ 14,770	\$ 14,326	\$ 9,106	\$ 10,138	\$ 10,369	\$ 10,070
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	\$ 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	\$ 14,672	\$ 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)	\$ (1,243)	\$ 293	\$ 584	\$ 80	\$ (3,541)	\$ (156)	\$ 1,633	\$ 1,698	\$ 1,254	\$ (3,966)	\$ (2,934)	\$ (2,703)	\$ (3,002)
FYTD 2016 (July 2015 - January 2016) OPERATING INCOME / (LOSS)													\$ (8,019)
CUMULATIVE (13-MONTH) OPERATING INCOME / (LOSS)													\$ (12,001)

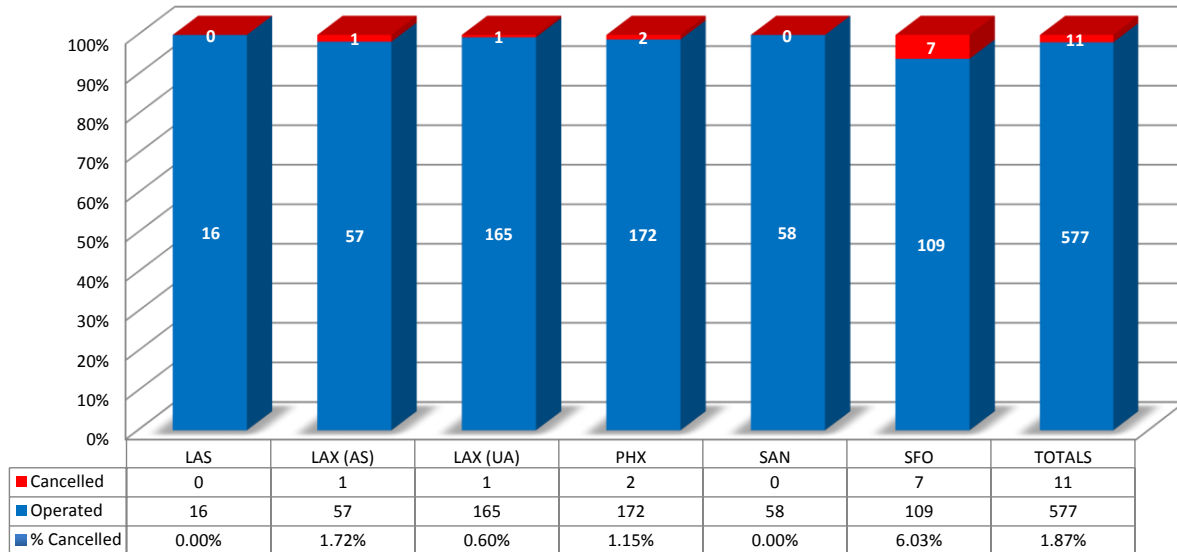
13-MONTH ROLLING COMPARISON



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

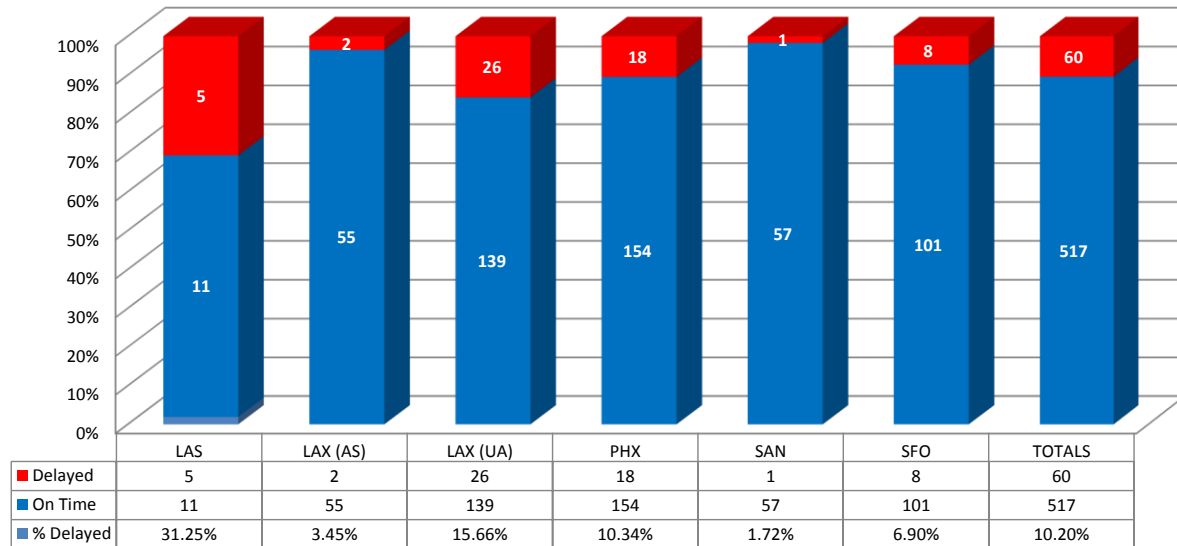
February 2015

February Commercial Flights Operated vs. Canceled



TOTAL CANCELED FLIGHTS: 11
















February Commercial Flights On Time vs. Delayed



TOTAL DELAYED FLIGHTS: 60

Monterey Regional Airport

March 2016 Flight Schedule

	ARRIVALS					DEPARTURES					
	FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD	
CRJ200 (50)	LAX		5018	10:40 AM 10:15 AM	SU-FR SA	SFO		5316	5:30 AM 6:00 AM	MO-FR SA-SU	CRJ700 (66)
CRJ900 (76)	PHX		5682	11:50 AM	DAILY	LAX		2603	6:00 AM	DAILY	Q400 (76)
Q400 (76)	SAN		2436	2:00 PM 2:18 PM	MAR 1-12 MAR 13-31	PHX		5624	6:10 AM	DAILY	CRJ900 (76)
MD80 (166)	LAS		540	2:35 PM 3:24 PM	TH & SU EXC MAR 20 & 27	LAX		5053	6:25 AM	DAILY	CRJ200 (50)
CRJ900 (76)	PHX		5697	3:35 PM	DAILY	LAX		5053	11:10 AM 10:47 AM	SU-FR SA	CRJ200 (50)
CRJ200 (50)	SFO		5538	4:20 PM 4:52 PM	SU-FR SA	PHX		5690	12:25 PM	DAILY	CRJ900 (76)
CRJ200 (50)	LAX		5037	4:45 PM	DAILY EXC SA	SAN		2437	2:35 PM 2:55 PM	MAR 1-12 MAR 13-31	Q400 (76)
CRJ200 (50)	PHX		2996	6:40 PM	DAILY	LAS		541	3:20 PM 4:09 PM	TH & SU EXC MAR 20 & 27	MD80 (166)
Q400 (76)	LAX		2604	9:05 PM 9:46 PM	DAILY EXC MAR 19, 26	SFO		5984	4:50 PM 5:20 PM	MO-FR SU	CRJ200 (50)
CRJ900 (76)	PHX		5693	9:58 PM	DAILY	PHX		5658	4:10 PM	DAILY	CRJ900 (76)
CRJ200 (50)	LAX		5021	10:00 PM	DAILY	LAX		5024	5:10 PM	DAILY EXC SA	CRJ200 (50)
CRJ700 (66)	SFO		5457	11:30 PM	DAILY EXC SA	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: March 9, 2016

TO: Mike La Pier, Executive Director
FROM: Police Chief Jeff Hoyne
DATE: February 26, 2016
SUBJECT: Police Activity Report for February 2016

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

Highlights

- MRY PD responded to **220 door and gate alarms** through February 25.
- Officers worked a total of **7.5 hours of overtime in February.**
- MRY PD officers responded to two outside agency assists in February which consisted of the following:
 - 2/16 @ 0930 hrs. Assisted White House Special Agent Williams in an escort detail inside the terminal for a passenger arriving from Los Angeles.
 - 2/20 @ 0306 hrs. Seaside PD was in pursuit of a White Audi. There was a BOL on that vehicle. Officer Allen set up at Olmstead and Hwy 68 to assist.

Training

All MRY PD Officers completed:

- Identity Theft for Patrol training course.
- Range training

Calls for Service

1. 2/2 @ 1405 hrs. Dispatched to a possible 5149 ½ passenger in Phoenix Airport regarding death threats. Officer contacted Phoenix Airport Police and had them do a welfare check on the passenger. Officer with the Airport PD stated he was code 4, no death threats had occurred.
2. 2/4 @ 1455 hrs. Dispatched to the Fly Away Café regarding an unattended bag. Arrived and secured the bag in the Police Department. Owner returned approximately five minutes later to claim the bag.
3. 2/5 @ 0215 hrs. Two unauthorized subjects were contacted at Del Monte Aviation. They were identified as two Jet Blast employees.
4. 2/5 @ 1300 hrs. Beechcraft Bonanza made a hard landing on 28L, near Lima, breaking off front landing gear and causing the plane to skid off to the side of the runway at Kilo. Pilot was uninjured. The Bonanza suffered moderate damage.
5. 2/6 @ 1100 hrs. Hi-Way storage unit 3104 entered by unknown means. Storage unit disheveled but no items taken.

6. 2/7 @ 1259 hrs. While in the secure area, I walked to the east terminal area and found Boarding Gate #4 door completely open with the door stop holding the door open. I secured the door and after conducting research, discovered subject had left the door open upon exiting the secure area. Subject was issued a strike violation.
7. 2/7 @ 202 hrs. Contacted subject after being refused a car rental and was reported loitering. Subject is wheelchair bound and may have a parole hold.
8. 2/8 @ 1000 hrs. Passenger reported two thousand dollars was stolen from his luggage at the Monterey Airport. Report taken.
9. 2/10 @ 1626 hrs. Dispatched to Hi-Way 68 Self-Storage regarding a tenant removing property from a storage unit that has a lien placed on it. Arrived and contacted manager. After talking with all parties involved, the incident was a civil issue. Tenant agreed to leave the property in the storage unit.
10. 2/11 @ 1704 hrs. Dispatched to Hi-Way 68 Self-Storage for a report of a body found in a storage unit. Department conducted a thorough death investigation in coordination with the Monterey County Coroner's Office. It was determined that the subject committed suicide.
11. 2/12 @ 1755 hrs. Monterey Jet Center reported a suspicious vehicle and occupants taking photos of private jets and secure areas.
12. 2/13 @ 1305 hrs. Dispatched to a burglary at Hi-Way 68 Self-Storage.
13. 2/18 @ 1903 hrs. TSA called for an assist regarding an intoxicated elderly male who refused to allow his cork remover to be taken away.
14. 2/23 @ 0700 hrs. Contacted subject at the corner by V-29/P-8 gate. He appeared to be resting there. Subject was cooperative and moved along when asked. No wants or warrants on subject.



MONTEREY FIRE DEPARTMENT

Report to Airport Board of Directors

February 2016

1. Incident Responses

Engine assigned to Fire Station 6 (Airport) responded to a total of 23 incidents during the month as follows (see attached for breakdown of types of incidents):

- MPAD property – 5
- City of Monterey – 16
- Auto / Mutual Aid – 2

2. Training

Personnel completed a total of 165.5 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

- The developer that owns the Holman Building in Pacific Grove has made the building available to the Fire Department for training purposes as it is being remodeled into condos and commercial space. All personnel are being rotated through various training exercises that enhance skills in fighting fires in large commercial structures (similar to the Airport terminal building).
- Preparation work has been done to ensure readiness for the annual FAA Part 139 inspection in March. As part of this process we have made improvements to the record keeping related to fire prevention inspections completed at the Airport.
- Preparation and planning work continues for the triennial drill scheduled for May 2016.

Monterey Fire Department

Incident Type Report (Summary)

Alarm Date Between {02/01/2016} And
{02/29/2016} and Station = "6"

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
3 Rescue & Emergency Medical Service Incident				
300 Rescue, EMS incident, other	1	4.35%	\$0	0.00%
3111 Medical Call No Aid Given	2	8.70%	\$0	0.00%
321 EMS call, excluding vehicle accident with injury	6	26.09%	\$0	0.00%
324 Motor Vehicle Accident with no injuries	3	13.04%	\$0	0.00%
	12	52.17%	\$0	0.00%
4 Hazardous Condition (No Fire)				
462 Aircraft standby	2	8.70%	\$0	0.00%
463 Vehicle accident, general cleanup	1	4.35%	\$0	0.00%
	3	13.04%	\$0	0.00%
5 Service Call				
521 Water evacuation	1	4.35%	\$0	0.00%
531 Smoke or odor removal	2	8.70%	\$0	0.00%
553 Public service	1	4.35%	\$0	0.00%
554 Assist invalid	1	4.35%	\$0	0.00%
	5	21.74%	\$0	0.00%
6 Good Intent Call				
611 Dispatched & cancelled en route	1	4.35%	\$0	0.00%
671 HazMat release investigation w/no HazMat	1	4.35%	\$0	0.00%
	2	8.70%	\$0	0.00%
7 False Alarm & False Call				
745 Alarm system activation, no fire - unintentional	1	4.35%	\$0	0.00%
	1	4.35%	\$0	0.00%

Total Incident Count: 23

Total Est Loss:

\$0

AGENDA ITEM: G
DATE: March 9, 2016

TO: Michael La Pier, Executive Director, Monterey Peninsula Airport District
FROM: Jerry Merritt, District Auditor/Controller
SUBJ: Financial Summary for January & Fiscal Year 2016

BACKGROUND. The Financial Summary for January 2016 (the seventh 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 January, operating revenue was below plan by \$8,366 (-1%). Rental car concessions, TNC permits & trip fees, GA landing fees, light GA rents, and non-aviation rents were above plan.

In January, GA operations were 16.8% lower than in December 2015, but only 13.4% lower than January 2015; GA Operations were 39.8% higher FYTD. GA landing fees remain above plan.

Commercial aeronautical fees, TCP permits, taxi permit & trip fees, parking concession, fuel flowage fees, other operating revenue, and interest income were below plan.

There were ten (10) cancelled commercial flights in January, contributing to below plan commercial aeronautical fee and parking concession revenue. Despite fewer commercial flights, rental car, restaurant and gift shop concession revenue was very close to expectations.

Fiscal year-to-date operating revenue was \$28,275 (or 1%) above plan at January 31, 2016 and is due to above plan GA landing fees and one-time SB 90 reimbursements.

OPERATING REVENUE							
JANUARY 2015 ACTUAL	JANUARY 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 632,228	\$ 640,594	\$ (8,366)	-1%	\$ 4,969,007	\$ 4,940,732	\$ 28,275	1%

In January, operating expense was below plan by \$26,534 (-4%); phasing is a primary 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 \$347,003; some of this positive variance will erode as the fiscal year progresses.

OPERATING EXPENSE							
JANUARY 2015 ACTUAL	JANUARY 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 638,883	\$ 665,417	\$ 26,534	-4%	\$ 4,437,292	\$ 4,784,295	\$ 347,003	-7%

Net income for January was 73% or \$18,167 above plan; FYTD net income was \$375,278 (240%) above plan; both due to operating expense being below plan, above plan FYTD operating revenue also contributed.

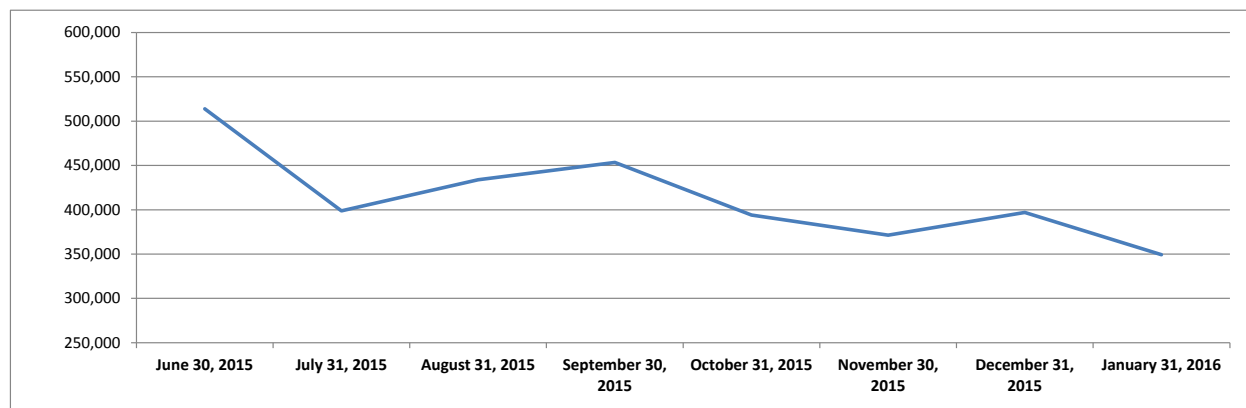
OPERATING INCOME / (LOSS)							
JANUARY 2015 ACTUAL	JANUARY 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ (6,656)	\$ (24,823)	\$ 18,167	73%	\$ 531,715	\$ 156,437	\$ 375,278	240%

The net change in operating cash position for January was a negative \$43,245; FYTD net change was a positive \$1,203,210; 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 January 31, 2016, was \$349,273. This balance is 12.0% lower than the balance on December 31, 2015 and 32.0% lower than the balance on June 30, 2015.

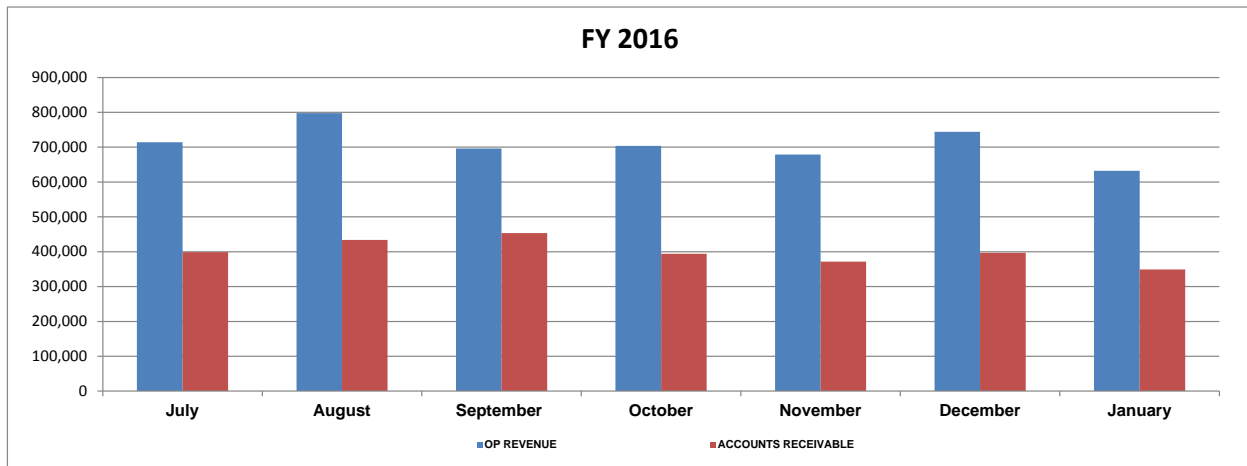
Of the accounts receivable balance, \$12,524 or 3.6% was over 60 days old. Chart 1 depicts the accounts receivable balances by month.

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 December, January operating revenue decreased 15.0%; compared to November, January operating revenue decreased 6.9%. Chart 2 graphically presents the monthly comparison of operating revenues to accounts receivable.

Chart 2



INVESTMENTS. The investments balance on December 31, 2015 was \$3,258,678; the investments balance on January 31, 2016 was \$3,261,683.

Chart 3 graphically presents the monthly balances of investments.

Chart 3

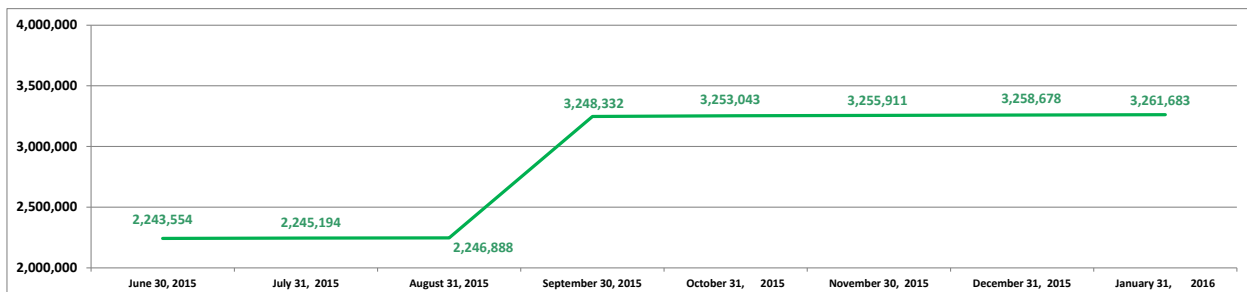
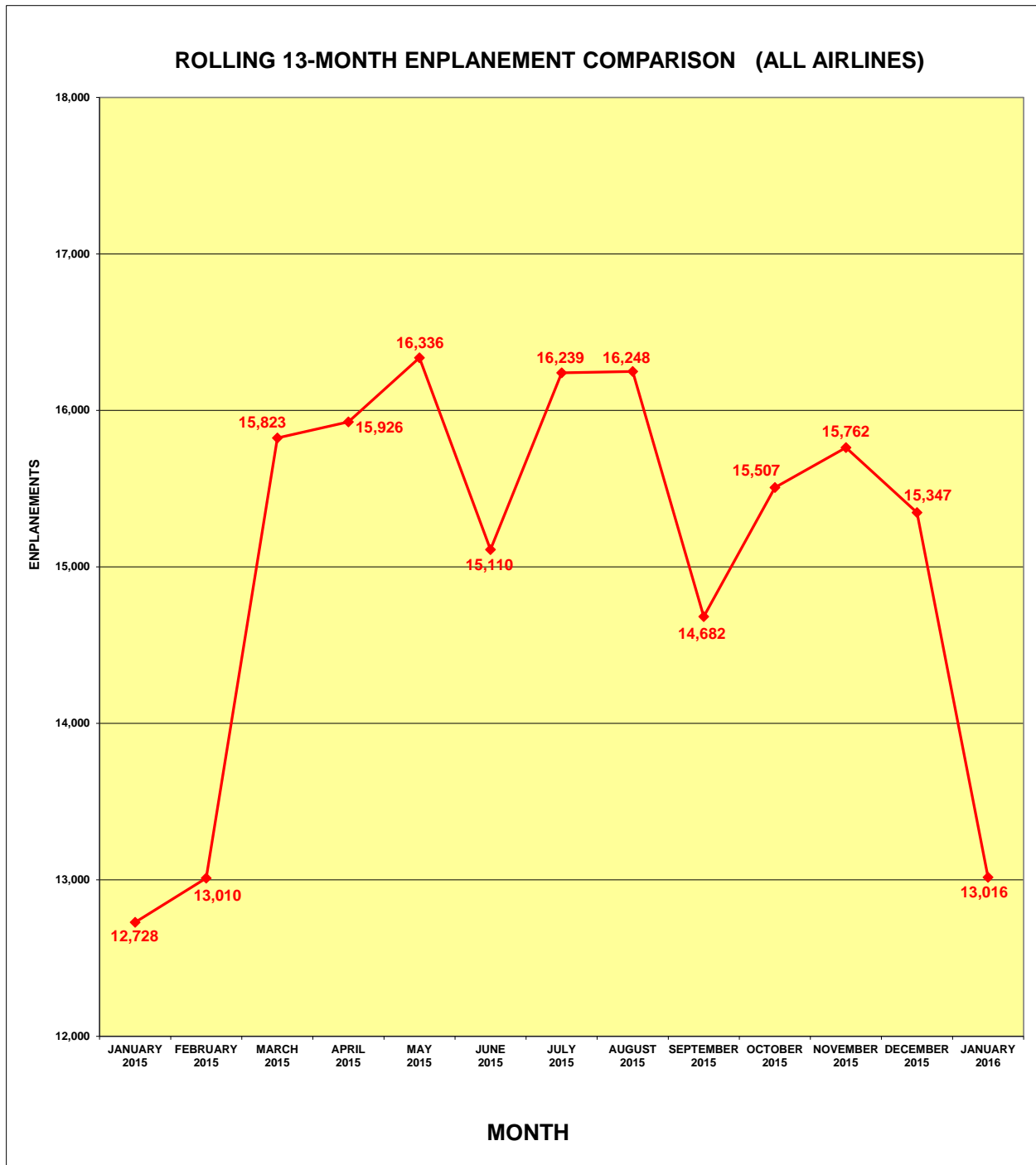
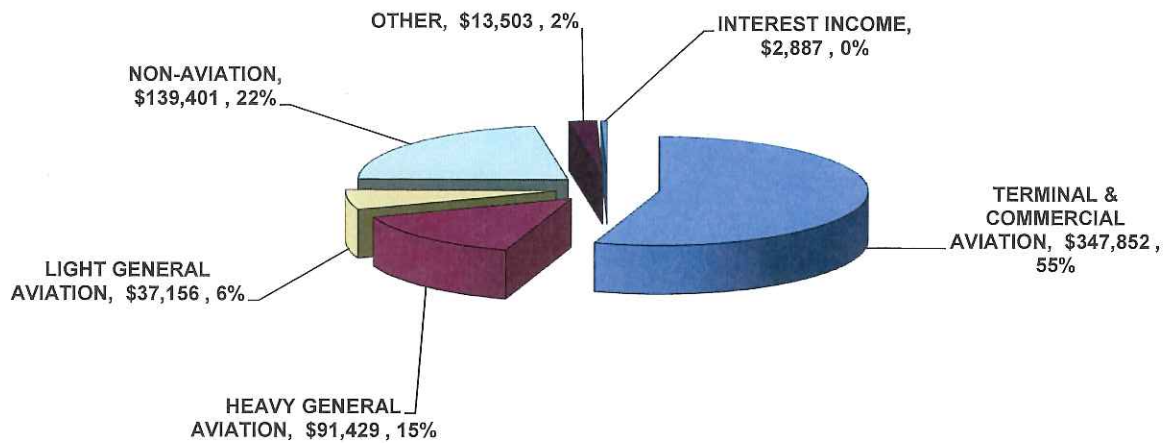


Chart 4 presents a rolling 13-month display of total enplanements which mimics the business cycle of the District. When compared to December 2015, January 2016 enplanements decreased 15.2%. When compared to January 2015, January 2016 enplanements increased 2.3%.

Chart 4

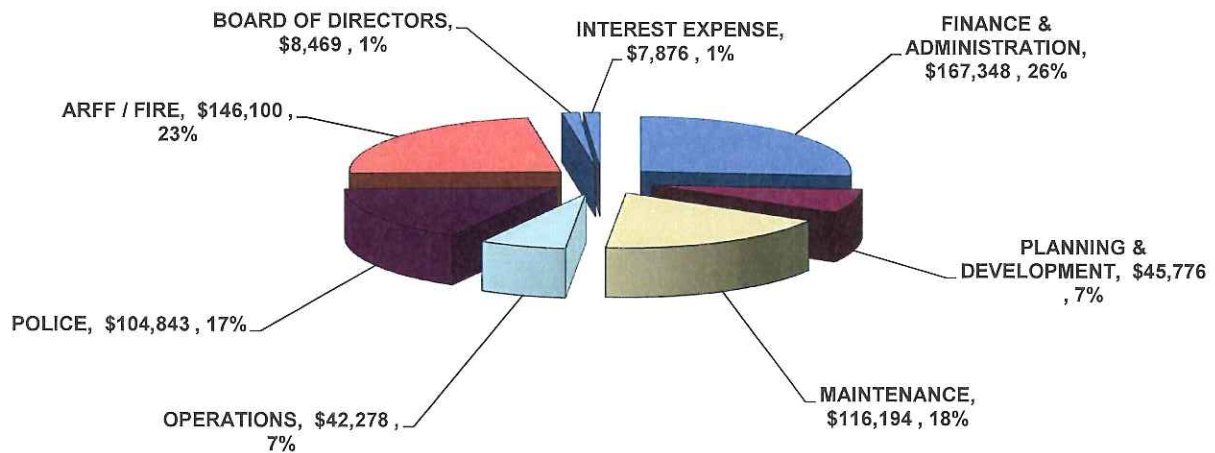


JANUARY 2016 OPERATING REVENUE



TOTAL OPERATING REVENUE: \$632,228

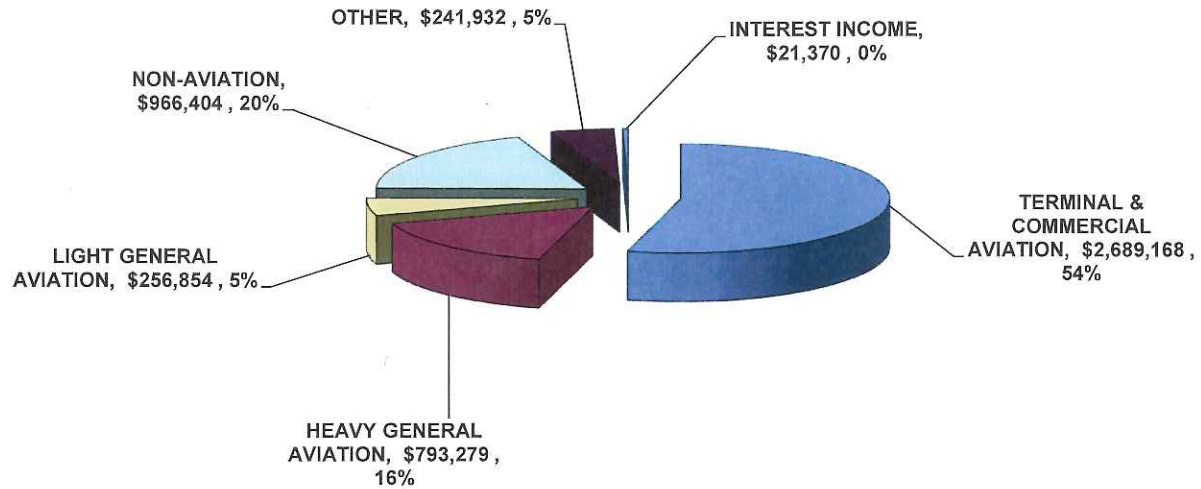
JANUARY 2016 OPERATING EXPENSE



TOTAL OPERATING EXPENSE: \$638,883

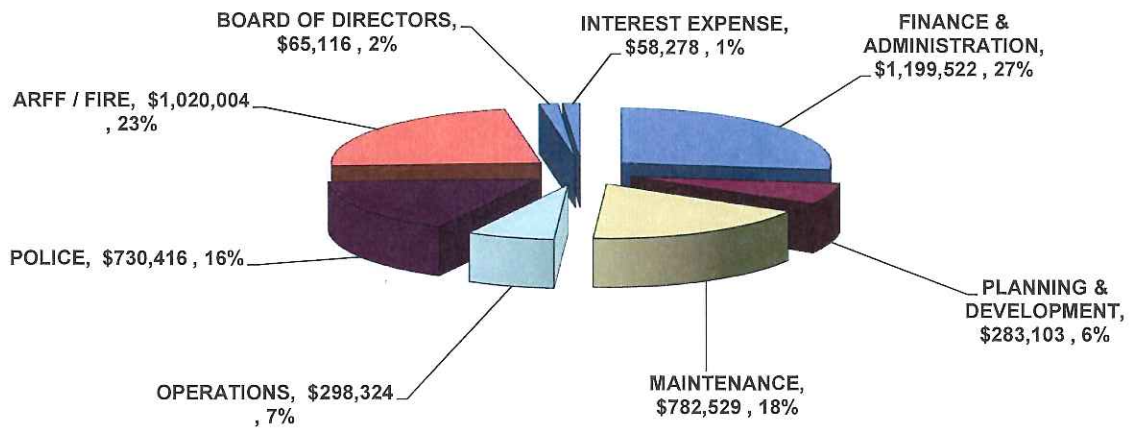
Monterey Peninsula Airport District

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



TOTAL OPERATING REVENUE: \$4,969,007

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



TOTAL OPERATING EXPENSE: \$4,437,292

AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

January 31, 2016

OPERATING STATISTICS	JANUARY 16			JANUARY 15		YTD FY 16		YTD FY 15
AIRPORT ACTIVITY								
Air Carrier Landings ¹	314	348	-10%	397		2,270	2,526	2,795
Passengers (emp/dep)	26,977			26,490		212,648		213,133
Total Cargo (in pounds)	77,491			72,786		630,861		629,640
AIRCRAFT OPERATIONS								
Commercial	980			1,039		8,518		8,304
General Aviation	2,791			3,222		28,736		20,554
Military	213			427		2,489		1,459
TOTAL AIRCRAFT OPERATIONS	3,984							30,317
VEHICLE EXIT COUNT								
Upper Short Term (1) Lot	2,071			2,107		14,796		14,823
Long Term (2) Lot	1,722			1,930		14,187		14,779
Lower Short Term (3) Lot	6,138			5,792		45,366		45,011
TOTAL VEHICLE EXIT COUNT	9,931			9,829		74,349		74,613

¹Cancelled Flights: January = 10 (0 - Alaska / 0 - Allegiant / 0 - American / 10 - United); FYTD = 185 (12 - Alaska / 0 - Allegiant / 47 - American / 126 - United)

FINANCIAL INFORMATION	JANUARY 16			JANUARY 15		YTD FY 16		YTD FY 15
	ACTUAL	BUDGET	%	ACTUAL		ACTUAL	BUDGET	ACTUAL
OPERATING REVENUE								
TERMINAL								
CA Landing, Apron & RON Fees	56,826	58,409	-3%	57,848		403,195	429,804	407,772
Rents	140,850	140,649	0%	141,894		988,974	985,862	994,286
TCP Operator Permits	633	750	-16%	810		5,193	5,330	5,710
Taxi Operator Permits & Trip Fees	10,369	12,953	-20%	12,581		86,456	89,168	92,674
TNC Permits & Trip Fees	3,537	-	100%	-		14,569	-	-
Concessions	9,468	9,486	0%	9,486		96,210	87,542	87,665
Rental Car	67,126	66,507	1%	66,449		649,397	637,966	638,135
Parking	59,042	66,230	-11%	65,900		445,175	474,705	472,094
HEAVY GENERAL AVIATION								
GA Landing Fees	19,242	17,581	9%	17,581		211,525	187,569	187,485
FBO Rent	56,252	56,251	0%	54,925		393,764	393,757	384,475
Fuel Fees	15,935	21,663	-26%	18,750		187,990	215,930	188,101
LIGHT GENERAL AVIATION	37,156	36,713	1%	36,185		256,854	256,991	252,192
NON AVIATION	139,401	136,852	2%	139,332		966,404	942,014	965,749
OTHER OPERATING REVENUE	13,503	13,555	0%	13,901		241,932	212,664	210,283
INTEREST INCOME	2,887	2,995	-4%	3,229		21,370	21,430	22,823
TOTAL OPERATING REVENUE	\$ 632,228	\$ 640,594	-1%	\$ 638,871		\$ 4,969,007	\$ 4,940,732	\$ 4,909,443
OPERATING EXPENSE								
Finance & Administration	167,348	170,803	-2%	175,472		1,199,522	1,267,647	1,249,410
Planning & Development	45,776	58,896	-22%	33,388		283,103	319,003	207,013
Maintenance & Custodial Services	116,194	107,072	9%	113,819		782,529	884,623	796,254
Airport Operations	42,278	43,126	-2%	40,081		298,324	335,180	289,406
Police Department	104,843	117,496	-11%	93,342		730,416	812,949	725,278
ARFF /Fire Services	146,100	145,971	0%	156,728		1,020,004	1,034,729	1,025,220
Board of Directors	8,469	14,177	-40%	10,978		65,116	71,886	144,119
Interest Expense	7,876	7,876	0%	8,906		58,278	58,278	65,336
TOTAL OPERATING EXPENSE	\$ 638,883	\$ 665,417	-4%	\$ 632,714		\$ 4,437,292	\$ 4,784,295	\$ 4,502,037
OPERATING INCOME / (LOSS)	\$ (6,656)	\$ (24,823)	73%	\$ 6,157		\$ 531,715	\$ 156,437	\$ 407,407
DISTRICT CAPITAL EXPENDITURES	\$ 12,939	\$ -	0.0%	\$ (6,698)		\$ (837,048)	\$ 263,380	\$ 37,546
DEBT SERVICE - PRINCIPAL ONLY	\$ 23,833			\$ 23,000		\$ 166,833		\$ 159,000

MONTEREY PENINSULA AIRPORT DISTRICT

	FY 2016 JANUARY 2016 ACTUAL	FY 2016 YEAR-TO-DATE ACTUAL
SOURCES AND USES OF CASH -- OPERATIONS		
SOURCES OF CASH		
CASH RECEIVED - OPERATING REVENUE	\$ 629,341	\$ 4,947,637
CASH RECEIVED - INTEREST INCOME	2,887	21,370
CASH RECEIVED	<u>\$ 632,228</u>	<u>\$ 4,969,007</u>
USES OF CASH -- OPERATIONS		
CASH DISBURSED - OPERATING EXPENSE ¹	\$ 630,824	\$ 4,377,733
CASH DISBURSED - DEBT SERVICE (BOND INTEREST EXPENSE) ²	7,876	58,278
CASH DISBURSED - DEBT SERVICE (PRINCIPAL REDUCTION) ²	23,833	166,833
CASH DISBURSED	<u>\$ 662,534</u>	<u>\$ 4,602,844</u>
CHANGE IN CASH POSITION FROM OPERATIONS & DEBT SERVICE	<u>\$ (30,306)</u>	<u>\$ 366,163</u>
¹ Net of non-cash operating expense (OPEB)		
² Moved to Restricted Account/Disbursement will occur in December 2015 & June 2016		
USES OF CASH -- CAPITAL PROGRAM		
CASH DISBURSED - DISTRICT CAPITAL PROJECTS ³	\$ 12,939	\$ (837,048)
CASH DISBURSED	<u>\$ 12,939</u>	<u>\$ (837,048)</u>
CHANGE IN CASH POSITION FROM CAPITAL PROGRAM	<u>\$ (12,939)</u>	<u>\$ 837,048</u>
³ District-funded capital plan for FY16		
CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL & DEBT SERVICE	<u>\$ (43,245)</u>	<u>\$ 1,203,210</u>

Monterey Peninsula Airport District
Airport Capital Improvements / Capital Expenditures
January 31, 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	12,938.64	3.8%	(6,698.16)	-0.6%	(903,641.74)	-6.2%	0.00	0.0%
AIP -- FAA Funded Expenditures	309,029.00	91.1%	1,142,198.35	95.4%	14,601,653.01	100.1%	13,595,239.11	94.9%
AIP -- PFC Funded Expenditures	17,235.37	5.1%	62,242.03	5.2%	891,968.53	6.1%	730,475.74	5.1%
Total Capital Improvement Expenditures	339,203.01	100%	1,197,742.22	100%	14,589,979.80	100%	14,325,714.85	100%

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			
Total Capital Acquisition Expenditures	0.00	0%	0.00	0%	66,593.83	100%	37,546.21	100%

Consolidated

District Expenditures	12,938.64	3.8%	(6,698.16)	-0.6%	(837,047.91)	-5.7%	37,546.21	0.3%
AIP -- FAA Funded Expenditures	309,029.00	91.1%	1,142,198.35	95.4%	14,601,653.01	99.6%	13,595,239.11	94.7%
AIP -- PFC Funded Expenditures	17,235.37	5.1%	62,242.03	5.2%	891,968.53	6.1%	730,475.74	5.1%
Total Capital Expenditures	339,203.01	100%	1,197,742.22	100%	14,656,573.63	100%	14,363,261.06	100%

FY 2016 District Capital Expenses:

2012-01 RSA - Construction - Phase 1	0.00	(964,992.44)	
2013-02 Airport Master Plan	12,938.64	64,936.98	
2015-03 Infield Safety Area Rehab - A	0.00	(3,586.28)	
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>12,938.64</u>	<u>(837,047.91)</u>	

AGENDA ITEM: G
DATE: March 9, 2016

TO: Michael La Pier, Executive Director
FROM: Mark Bautista, Deputy General Manager, Planning & Development
DATE: February 29, 2016
SUBJ: Planning & Development Monthly Project Report

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

- Work directed toward implementation of the Runway Safety Area (RSA) Project accomplished during the reporting period, including:
 - Compiling reports for filing with the FAA (e.g., engineer's report, as-builts, etc.).
 - On-going RSA environmental mitigation (implementation of the Habitat Conservation & Enhancement Plan--HCEP).
 - Maintenance of the project web site on the Internet.
- Work directed toward the Airport Master Plan (AMP), including:
 - Finalization of the airport economic benefits study brochure.
 - Conducting the CEQA EIR public agency scoping meeting.
 - Maintenance of the project web site on the Internet.
- Work directed toward the Wells Assessment Project, including:
 - Review of draft Options Report by Airport Staff.
- 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.
 - Execution of agreement for preparation of a specifications package for quotes/bids for asbestos/lead based paint remediation.
 - Development of cost estimates for pro forma for rehabilitation/replacement.
- Work directed toward updating the Airport DBE Plan, including:
 - Preparation of a draft update to the DBE Plan.
- Work directed toward development of a solar farm, including:
 - Preparation of a draft RFQ for a solar consultant.

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 02/29/16	% 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	\$18,574,111	\$50,547,985	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	\$299,658	\$1,141,999	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	\$59,932	\$59,932	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	Draft Options Analysis received.	Draft Options Analysis is under review by Airport Staff.
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: 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. The current vendor, Clear Channel Airport Advertising, has been doing business at the airport for 20 years. Their agreement expires on April 15, 2016. A Request for Proposal (RFP) was published and three responses were received. After reviewing all proposals, U.S. Enterprises, Inc. d/b/a Corey Airport Services was deemed the highest ranking under the evaluation methodology described in the RFP.

In the RFP we asked for 30% of gross sales or a Minimum Revenue Guarantee of \$2,500 per month. The Minimum Revenue Guarantee is something we did not have in the Clear Channel agreement.

Corey Airport Services proposed:

\$3,400 per month Minimum Revenue Guarantee

Proposed Percentage Rent (Static and Digital)

Quarterly Revenues up to \$30,000	35%
Quarterly Revenues between \$30,001 - \$45,000	38%
Quarterly Revenues between \$45,001 - \$75,000	42%
Quarterly Revenues exceeding \$75,000	44%

Corey Airport Services is based in Atlanta and has excelled in the specialized field of airport advertising over the past twelve years. They have operated advertising concessions in airports such as: Palm Springs, Atlantic City, Dallas Love Fields and many others. They plan to hire a full time local General Manager to handle the day-to-day operations.

I will work closely with Corey Airport Services and Clear Chanel Airport Advertising to complete a seamless transition with minimal disruption to airport operations. Corey Airport Services will work with current advertisers to ensure they get first pick of available inventory before selling to new advertisers.

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.

In Terminal Advertising RFP 3-Year Projection Comparison

Corey		
Estimated Sales	Estimated Commission	Minimum Guarantee
606,000.00	\$219,480.00	\$122,400.00

ClearChannel		
Estimated Sales	Estimated Commission	Minimum Guarantee
476,734.00	\$146,757.00	\$90,000.00

Chidlaw Marketing		
Estimated Sales	Estimated Commission	Minimum Guarantee
420,000.00	\$210,000.00	\$120,000.00

Historical In Airport Advertising Revenues

Revenue for the past 3 years - Clear Channel Airport Advertising		
Fiscal Year 2013		\$23,717.86
Fiscal Year 2014		\$29,875.37
Fiscal Year 2015		\$33,060.78
3 year total		\$86,654.01

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.
 - 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 unfinished floors, walls and ceilings for the Assigned Areas.
- 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 (20th) 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 1st through October 31st shall be computed and reconciled on an annual basis on or before the 31st 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.

- 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 traffic drops more than twenty percent (20%) in a quarterly period, 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.

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 salute 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 uninterrupted. 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 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.

AGENDA ITEM: H-4
DATE: March 9, 2016

TO: Mike La Pier, Executive Director
FROM: Jennifer Hickerson, Marketing and Public Relations Coordinator
DATE: February 25, 2016
SUBJ: Resolution No. 1656, a Resolution Extending the Air Carrier Incentive Program for New and Expanded Air Carrier Service at Monterey Regional Airport

BACKGROUND. The Board of Directors adopted Resolution No. 1614 on March 12, 2014 establishing an Air Carrier Incentive Program for new and expanded service at Monterey Regional Airport. That Resolution expires on March 31, 2016. This Resolution will continue the Air Carrier Incentive Program to help us attract new service to Monterey Regional Airport.

STAFF ANALYSIS. The FAA permits 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.

The FAA defines an incentive as any fee reduction, a 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. It permits incentives but prohibits subsidies. A subsidy is a direct payment of airport revenue to a carrier, or to any provider of goods or services to that carrier, in exchange for additional service by the carrier.

To offer incentives to an airline, the airport must adopt an Air Carrier Incentive Program that:

- Clearly explains the incentives offered
- Is based upon destinations the Airport Sponsor chooses to support
- Has a specified duration
- Is not unjustly discriminatory

This program is not related to the Small Community Air Service Development Program (SCASDP), a grant program of the USDOT. Both may be used together to attract air service.

SOURCE OF FUNDS. Marketing budget after an air carrier commits to offer additional service.

IMPACT ON REVENUES. An expected increase in revenue from an additional flight.

SCHEDULE. This Air Carrier Incentive Plan would be for two (2) years beginning on April 1, 2016 and expiring on March 31, 2018.

IMPACT ON OPERATIONS. Increased passengers using MPAD facilities.

CONTINGENCY. None.

RECOMMENDATION. Adopt Resolution No. 1656, a Resolution Extending the Air Carrier Incentive Program for New and Expanded Air Carrier Service at Monterey Regional Airport.

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), DIA (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 9th day of March, 2016, by the following roll call vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSTAIN:	DIRECTORS:
ABSENT:	DIRECTORS:

Signed this 9th day of March, 2016

Mary Ann Leffel, Chair

A T T E S T

Mike La Pier
Executive Director

Air Carrier Incentive Program for Scheduled Domestic Passenger Air Services

Purpose

The purpose of this Airline Incentive Program is to encourage; through temporary fee waivers, the introduction of two-way, non-stop scheduled passenger service between the Monterey Regional Airport (MRY) and airports in the United States that are not already being served on a scheduled non-stop basis.

Qualifying Airlines, Qualifying Flights and Additional Qualifying Flights

A "Qualifying Airline" is a US based airline holding an approved FAA Operating Certificate under Federal Aviation Regulation Part 121 and offering scheduled passenger service in the US.

A "Qualifying Flight" is a scheduled non-stop flight that arrives and departs MRY to/from another US airport that is not already being regularly served on a non-stop basis to/from MRY.

An "Additional Qualifying Flight" is a flight, or flights, added by a Qualifying Airline to its schedule of Qualifying Flights, which additional flight(s) would be a Qualifying Flight except that the market is already being served by that Airline's own Qualifying Flights.

Incentives:

1. Waiver of landing fees for one (1) year for each "Qualifying Flight" or "Additional Qualifying Flight" provide there are not less than six (6) scheduled non-stop flights per week. For a lesser number of weekly flights, the landing fees may be prorated at the discretion of the Executive Director of MRY.
2. Total cash marketing/advertising incentive of \$35,000 for use during the first 12 months of the new service.
3. Total in-kind marketing/advertising incentive of \$15,000 by the airport and/or community sponsors during the first 12 months of the new service.

Program Duration

This Program shall be in effect until terminated by the Monterey Peninsula Airport District's Board of Directors. Such termination shall not, however, terminate any letter agreement between the District Qualifying Airline under which that airline is operating Qualifying Flights and/or Additional Qualifying Flights and receiving incentives.

If the FAA shall ever determine that an adjustment or adjustments is/are necessary, with or without retroactive effect, then the Incentive Program shall thereupon be deemed adjusted as required.

Application for Financial Incentives

Any airline interested in operating "Qualifying Flights" or "Additional Qualifying Flights" at MRY should either visit in person or write a letter on its letterhead to:

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

The letter should indicate the air service(s) proposed including type of equipment, schedules, frequencies, requested start date; and the new or additional passenger terminal and other airport space(s) needed to support the service(s). The award of incentives will be covered by a letter agreement. Airlines receiving incentives also will be required to enter the Airport's Standard Airport/Airline Operations Agreement if they have not already done so.

Note: It is not the Airport's intention to provide incentives to any airline that has reduced or suspended certain flights at MRY and thereafter restores them seasonally or temporarily. The decision of the General Manager in this regard shall be final.

Any questions should also be addressed to the Executive Director.

AGENDA ITEM: H-5
DATE: March 9, 2016

ACI-NA & AAAE Events

ACI-NA/AAAE Washington Legislative
Spring Conference
March 15-16, 2016
Washington, DC

ACI-NA Commissioners Congressional
Reception
March 15, 2016
Washington, DC

ACI-NA/AAE Airport Board &
Commissioners Conference
April 10-12, 2016
Indianapolis, IN

ACI-NA World Conference & Exhibition
September 25-28, 2016
Montreal, QC

88th Annual AAAE Conference & Exposition
May 15-18, 2016
Houston, TX

Future AAAE Annual Conference Dates

89th Annual AAAE Conference & Exposition
May 7-10, 2017
Long Beach, CA

90th Annual AAAE Conference & Exposition
April 15-18, 2018
San Diego, CA

91st Annual AAAE Conference & Exposition
June 2-5, 2019
New Orleans, LA

NBAA Events

NBAA Van Nuys Regional Forum
June 9, 2016
Van Nuys, CA

NBAA Business Aviation Convention &
Exhibition
November 1-3, 2016
Orlando, FL

NBAA Schedulers & Dispatchers
Conference
February 7-10, 2017
Ft. Worth, TX

AGENDA ITEM: H-6
DATE: March 9, 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 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 this time, Maxi LLC would like to refinance the loan obtained at the time of purchase. The proposed lender, German American Capital Corporation ("GACC"), utilized the prior Ground Lease Estoppel and modified it to apply to the current refinance request. The original loan at the time of purchase was \$3,400,000. The new loan that is requested will have a balance of \$6,400,000.

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 GACC in the event that Maxi, LLC fails to repay the loan or otherwise fails to comply with its terms.

The loan being acquired by Maxi, 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 a 4 month extension of the Ground Lease to comply with the loan terms. In exchange, staff has negotiated payment of 50% of the total gross revenue from the Subject Property.

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

BUDGET EFFECT. With the exception of the four 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 four 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

Ground Lease Estoppel to be
provided under separate cover.