

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

October 8, 2020 - 1:30 PM

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

Due to the directives contained in the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Board of Directors of the Monterey Peninsula Airport District is required to limit in-person attendance at the upcoming Board Committee meeting. Members of the public may utilize alternative measures established by the Monterey Peninsula Airport District to listen to Board meeting and/or to communicate your opinions to the Board Members. To participate in the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: 882 5529 8900. The password for this meeting is: 20201008. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

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

A. CALL TO ORDER

The meeting was called to order at 1:40 PM. Director Leffel, Director Miller, Executive Director La Pier and District Counsel Huber were in attendance.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Discussion 1. Leasing Activity Review

Executive Director La Pier indicated there was no new lease activity to report other than the restaurant lease discussion which is a separate agenda item.

Discussion 2. Tenant Rent Abatement

Executive Director La Pier and the Committee reviewed La Pier's recommendations regarding continuation of the tenant rent abatement program. La Pier explained his thinking regarding the continuation as is of the program for many of the tenants including the restaurants, airlines, parking operator and gift shop. He further explained his thinking regarding modifying the abatement program for the car rental operators and fixed base operator. He recommended a reduction of the abatement program to a 50% percent abatement for the car rental operators and a cessation of the abatement program for the FBO. He shared with the committee revenue statistics that he felt supported the proposed reductions.

After review and discussion, the Committee agreed to recommend the continuation of the abatement program with changes to the program recommended by the Executive Director to include a 25% abatement of FBO rent, a 75% abatement of rent for Tarp's restaurant and a 50% abatement of car rental terminal space rental until February 2021 at which time the program would be re-evaluated.

Review 3. Amendment of Restaurant Lease and Assignment of Lease

Executive Director La Pier and District Counsel Huber presented an amendment to the Restaurant Lease Agreement and Assignment of the Lease to a proposed new operator, Mr. Timothy Wood. La Pier indicated the current operators, Richard Pepe' and Bobby Richards have expressed a desire to assign their lease agreement to Mr. Wood so Pepe' and Richards could focus on their operations in Carmel. They introduced Mr. Wood to the airport as an operator that was interested in taking over the restaurant. Mr. Wood has been in the restaurant business for many years in the region and has a strong following.

District Counsel Huber presented the amendment and assignment document and reviewed it with the committee. The amendment and assignment document calls for the base terms of the agreement to remain in place while the provisions regarding capital improvement requirements be amended to remove the capital investment requirement of \$250,000.00 and substituting a \$75,000.00 investment in improvements funded by the airport and repaid monthly by the operator over a 5 year period at an interest rate of 2%.

After discussion, the committee agreed to recommend approval of the document as presented to the full Board at the next meeting.

Discussion 2. Schedule Next Meeting

Scheduling of the next meeting was deferred.

E. ADJOURNMENT

The meeting adjourned at 3:17 PM.

Minutes Approved at the
Meeting of November 18, 2020



Mary Ann Leffel, Chair

ATTEST



Michael La Pier, AAE
District Secretary