

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

July 7, 2021 - 2:00 PM

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

Due to the directives contained in the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Board of Directors of the Monterey Peninsula Airport District is required to limit in-person attendance at the upcoming Board Committee meeting. Members of the public may utilize alternative measures established by the Monterey Peninsula Airport District to listen to Board meeting and/or to communicate your opinions to the Board Members. To participate in the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **891 5070 0877**. The password for this meeting is: **20210707**. 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 2:27 PM. Director Cursio, Director Miller and Executive Director La Pier were in attendance.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Discussion 1. Leasing Activity Review

The Committee reviewed email correspondence from Sticks and Stones, LLC regarding a potential lease extension of 3 years for property on the corner of Highway 68 and Highway 218. Executive Director La Pier provided the committee with details regarding the existing lease and the history surrounding the lease as well as background information regarding the current discussions. He further reviewed the response he had received from representatives of Sticks and Stones as well as his real estate advisor Ernie Lostrom.

Discussion ensued regarding the lease and the options related to the potential extension. Director Cursio asked if there was any obligation on the part of the Airport to provide for the option. La Pier indicated there was no obligation on the part of the airport to agree to a lease extension. He further indicated that the importance of the extension rested solely with the lessee but, if there was an extension to be considered, those discussions provided the airport with the opportunity to bring the lease to market value, a requirement of the FAA.

It was the general agreement of the committee and the Executive Director that a letter be sent to the lessees' representative indicating support for the proposal as outlined to the representatives previously. There was agreement that the benefit of an extension rested with the Lessee and the terms offered by La Pier were appropriate.

La Pier also discussed with the committee the current situation regarding car rental concessions at the airport. He indicated that Legal Counsel had sent a notice of cure letter to the rental car operators demanding that they comply with the hours of operation requirement in the concession agreement. La Pier indicated that the car rentals continued to ignore the obligation and have been closing early leaving passengers with reservations that arrive after closing to find alternate transportation. He indicated instances of the problem were increasing and customers were becoming more vocal and upset as a result.

La Pier indicated that Legal Counsel Huber was attempting to reach out to legal representatives of each agency to discuss the airports recourse in the event of continued non-compliance. Those conversations had commenced as of the afternoon of the meeting and were ongoing. Director Miller asked what options existed. La Pier indicated the airport could choose to terminate the agreements and re-bid the concessions. It was agreed that it would not be appropriate to pursue that course of action at this time, but pressure must be brought about to compel the operators to pay attention to their customers and comply with the terms of the agreement.

Discussion 2. Schedule Next Meeting

No meeting was scheduled.

E. ADJOURNMENT

The meeting adjourned at 3:12 PM.

Minutes Approved at the
Meeting of July 21, 2021



Gary Cursio, Chair

ATTEST



Michael La Pier, AAE
District Secretary