



January 17, 2014

REGULAR MEETING CANCELLATION NOTICE  
AND  
CALL AND NOTICE OF A SPECIAL MEETING  
OF THE FINANCE AND ADMINISTRATION COMMITTEE  
OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

The Airport Authority administrative offices will be closed on Monday, January 20, 2014, in observance of Martin Luther King, Jr., Day. Therefore, the regular meeting of the Finance and Administration Committee scheduled for Monday, January 20, 2014, at 10:30 a.m. in the Airport Skyroom at Bob Hope Airport has been cancelled.

NOTICE is hereby given that a special meeting of the Finance and Administration Committee will be held Monday, January 21, 2014, at 10:30 a.m. (or immediately following the conclusion of the special Airport Authority meeting) in the Airport Skyroom of the Bob Hope Airport, 2627 Hollywood Way, Burbank, California, 91505.

The items to be discussed are listed on the attached agenda.

Sue Loyd, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

SPECIAL MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE  
Airport Skyroom  
Tuesday, January 21, 2014  
10:30 A.M. or Immediately Following the  
Conclusion of the  
Special Airport Authority Meeting

*NOTE TO THE PUBLIC: Any discloseable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Bob Hope Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.*

*As a result of the convening of this meeting of the Finance and Administration Committee, each Committee member is entitled to receive and shall be provided \$200.*

▼ ▼ ▼

*In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.*

AGENDA

1. Public Comment
2. Approval of Minutes
  - a. December 16, 2013 **[See page 1]**
3. Contracts and Leases
  - a. The Paradies Shops, Inc.  
Seventh Amendment  
Lease and Concession Agreement
    - Staff Report Attached **[See page 5]**

***Staff seeks a Committee recommendation to the Airport Authority for approval of the proposed Seventh Amendment to the Lease and Concession Agreement between the Authority and The Paradies Shops, Inc. ("Paradies"), a copy of which is attached (Exhibit A). The Amendment would terminate Paradies' lease with respect to the CNBC lobby store in Terminal B effective February 15, 2014. Paradies would continue to operate all of its other locations per the Agreement with no reduction in the minimum annual guarantee. This specific space will revert***

**back to the Authority and other revenue-generating options will be explored.**

4. Items for Discussion

a. Presentation of FY 2013 Financial Statements and Analysis of Financial Results

- Staff Report Attached

[See page 11]

**The Authority's independent auditor, Macias Gini & O'Connell LLP ("MGO") has completed its audits of the Burbank-Glendale-Pasadena Airport Authority ("Authority") fiscal year 2013 financial statements. Enclosed with this staff report is a copy of the audited Basic Financial Statements for the fiscal years ended June 30, 2013 ("FY 2013") and 2012 ("FY 2012"). Also enclosed are a copy of the audited Single Audit Reports (audit of federal grant programs), Passenger Facility Charge Audit Reports, Customer Facility Charge Audit Reports, Independent Auditor's Report on Compliance with Section 6.05 of the Bond Indenture, Communication Indicating No Material Weaknesses and Auditor's Report to the Authority Regarding the FY 2013 Audits.**

**In summary, MGO's "unmodified" opinions indicate that:**

- **The Basic Financial Statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles.**
- **The Authority complied in all material respects with compliance requirements applicable to its major federal programs, the Passenger Facility Charge program and the Customer Facility Charge program.**
- **MGO identified no reportable deficiencies in internal control over financial reporting or compliance.**
- **The Schedule of Expenditures of Federal Awards, Schedule of Passenger Facility Charge Revenues and Expenditures and Schedule of Customer Facility Charge Revenues and Expenditures are fairly stated in relation to the Basic Financial Statements taken as a whole.**
- **Based on auditing procedures performed, the Authority complied with the terms, covenants, provisions or conditions of Section 6.05 (Rates and Charges) to Article VI of the Bond Indenture, as amended.**

**Staff will present each report and provide an overview and analysis of financial results for the fiscal year ended June 30, 2013. MGO will present a summary of its audits. Staff seeks a Finance and Administration Committee recommendation to the Authority that it note and file these audit reports.**

b. Airport Use Agreement

***No staff report is attached. Staff will update the Committee on the status of the Airport Use Agreement extension with its signatory airlines.***

c. Committee Pending Items

[See page 17]

**Current**

***(1) Review the results of the audits of the FY 2013 financial statements with Macias Gini & O'Connell LLP (MGO), the Authority's Independent auditor***

**Future**

***(1) Other Transactions Agreement – TSA for Use of Space and Cost Reimbursement at Checkpoints and Baggage Screening***

***(2) Review draft 2014 Authority Investment Policy***

***(3) FY 2014 Mid-Year Budget Performance Review***

5. Closed Session

a. Conference with Real Property Negotiators  
(California Government Code Section 54956.8)

Property: B-6 Property Easements  
Authority Negotiator: Executive Director  
Negotiating Party: City of Burbank  
Under Negotiation: Price and Terms of Payment

Property: A-1 North Property Easements  
Authority Negotiator: Executive Director  
Negotiating Party: City of Burbank  
Under Negotiation: Price and Terms of Payment

Property: 2736–2760 Hollywood Way  
Authority Negotiator: Executive Director  
Negotiating Party: Successor Agency, City of Burbank  
Under Negotiation: Price and Terms of Payment

Property: 3003 Hollywood Way (Unsolicited Offer)  
Authority Negotiator: Executive Director  
Negotiating Party: General Electric  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Party: Alaska Airlines; Delta Airlines; jetBlue Airways; SeaPort Airlines; Southwest Airlines; United Air Lines; US Airways  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Party: Enterprise Rent-a-Car Company of Los Angeles, LLC;  
The Hertz Corporation; Avis Budget Car Rental LLC;  
Budget Rent a Car of Southern California;  
DTG Operations, Inc.; Fox Rent A Car; Midway Car Rental  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Party: Avjet  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Party: United Parcel Service  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Party: Yucaipa Companies  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Party: Sierra Land  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Party: J. G. Boswell Company  
Under Negotiation: Price and Terms of Payment

b. Conference with Legal Counsel – Existing Litigation  
(California Government Code Section 54956.9(d)(1))

Name of Case: Fox Rent-A-Car, Inc. v. Burbank-Glendale-Pasadena Airport Authority  
(Case No. BC517650)

c. Conference with Legal Counsel – Anticipated Litigation

Significant Exposure to Litigation (California Government Code Section 54956.9(d)(2)):  
One potential case. Facts and Circumstances: McCarthy Building Companies  
Change Order Requests

d. Conference with Legal Counsel – Anticipated Litigation

Initiation of Litigation (California Government Code Section 54956.9(d)(4)): One  
potential case.

6. Adjournment