



October 14, 2016

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

NOTICE is hereby given that a regular meeting of the Finance and Administration Committee will be held Monday, October 17, 2016, at 10:30 a.m. (or immediately following the conclusion of the regular 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

REGULAR MEETING
OF THE
FINANCE AND ADMINISTRATION COMMITTEE
Airport Skyroom
Monday, October 17, 2016
10:30 A.M. or Immediately Following the
Conclusion of the
Regular Airport Authority Meeting

NOTE TO THE PUBLIC: Any disclosable 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 Hollywood Burbank 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.

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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. Approval of Agenda

2. Public Comment

3. Approval of Minutes

a. September 19, 2016

[See page 1]

4. Contracts and Leases

a. First Amendment to Lease and Concession Agreement
BRICKANDMORTAR.ME, INC.

• Staff Report Attached

[See page 4]

Staff seeks a recommendation of the Committee to the Commission that it approve a proposed First Amendment to the Lease and Concession Agreement with BRICKANDMORTAR.ME, INC., dba Up Pup 'N' Away. On July 11, 2016, the Commission approved the agreement with Up Pup 'N' Away for a 40-square-foot retail kiosk located in Terminal A specializing in pet products. The proposed

first amendment is for an additional 16 square feet of space to support additional merchandise display and storage space as depicted in Exhibit A of this staff report. This proposed amendment will increase the total space rent received by an additional \$288.00 annually.

5. Items for Discussion

a. Results of FY 2017 Insurance Program Renewal

No staff report is attached. A representative from Aon, the Authority's insurance broker, will provide an update of the current insurance program renewal results. A FY 2016/2017 Airport Authority Insurance Coverage Summary is included in the agenda packet.

6. Items for Information

a. Committee Pending Items

[See page 7]

Current

1) Results of FY 2017 Insurance Program Renewal

Future

1) Vacant Airport Hangars and Market Conditions

7. Other Contracts and Leases

8. Adjournment

Subject to Approval

**MINUTES OF THE REGULAR MEETING OF THE
FINANCE AND ADMINISTRATION COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, SEPTEMBER 19, 2016

A regular meeting of the Finance and Administration Committee was called to order on this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 9:30 a.m., by Chairman Tornek.

AB 23 Disclosure: The Senior Deputy Executive Director announced that, 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.

ROLL CALL

Present: Commissioners Tornek, Friedman and Adams

Absent: None

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Scott Smith, Director of Financial Services; and David Freedman, Director, Business Development and Administrative Services

1. Approval of Agenda Commissioner Adams moved approval of the agenda, seconded by Commissioner Friedman. Without objection, the agenda was approved 3-0 as presented.

2. Public Comment There were no public speakers.

3. Approval of Minutes

a. September 6, 2016 Draft minutes for the September 6, 2016, Finance and Administration Committee meeting were presented for approval.

Motion Commissioner Adams moved approval of the minutes, seconded by Commissioner Friedman.

Motion Approved There being no objection, the minutes were unanimously approved (3-0).

4. Treasurer's Report

a. June 2016

Included in the agenda packet was a copy of the June 2016 Treasurer's Report, which Staff discussed with the Committee. Commissioner Tornek requested that, when this fiscal year-end Treasurer's Report is agendized for the Commission, several items in the Capital Program be expounded upon for clarification purposes and that certain items which highlight positive results be emphasized.

Motion

Commissioner Friedman moved to recommend to the Commission that, with the additional requested information, the June 2016 Treasurer's Report be noted and filed. Commissioner Adams seconded the motion.

Motion Approved

The motion was approved unanimously (3-0).

5. Items for Information

a. Men Essentials Lease Termination

Staff presented to the Committee an update regarding the termination of the non-exclusive Concession and Lease Agreement with ME BRAND, LLC. Staff stated that after having a lackluster performance since January 2016, ME BRAND, LLC ("Men Essentials") closed its Airport concession at the end of August 2016, due to an absentee owner and other staffing issues and also closed its flagship store located on Brand Boulevard in the City of Glendale. Staff noted that Men Essentials' three-month security deposit will cover any outstanding concession and lease agreement obligations at the Airport.

Staff discussed with the Committee that it is exploring options for retail and food and beverage concessions for this space and hopes to return to the Committee by year-end with additional information.

b. Committee Pending Items

Future

1) Vacant Aviation Hangars and Market Conditions

Staff discussed with the Committee potential uses for the vacant hangars at Hollywood Burbank Airport. Staff informed the Committee of an FAA policy which goes into effect March 2017 to address the leasing of aviation hangars for non-aeronautical uses.

**2) Results of Insurance Program
Renewal**

6. Other Contracts and Leases

There were no other contracts and leases to be discussed.

7. Adjournment

There being no further business, the meeting was adjourned at 9:45 a.m.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
OCTOBER 17, 2016**

**FIRST AMENDMENT TO
LEASE AND CONCESSION AGREEMENT
BRICKANDMORTAR.ME, INC.**

SUMMARY

Staff seeks a recommendation of the Finance and Administration Committee ("Committee") to the Commission that it approve a proposed First Amendment to the Lease and Concession Agreement ("Agreement") with BRICKANDMORTAR.ME, INC., dba Up Pup 'N' Away. On July 11, 2016, the Commission approved the Agreement with Up Pup 'N' Away for a 40-square-foot retail kiosk located in Terminal A specializing in pet products. The proposed first amendment (copy attached) is for an additional 16 square feet of space to support additional merchandise display and storage space as depicted in Exhibit A of this staff report. This proposed Amendment will increase the total space rent received by an additional \$288 annually.

BACKGROUND

In July 2016 Up Pup 'N' Away began operating a staffed wall retail kiosk display selling products for pets and their owners. The initial term of the Agreement is for one (1) year, with five (5) one-year extension options and will generate a minimum annual guarantee ("MAG") of \$15,000 and \$720 in space rent annually. Since opening in July, Up Pup 'N' Away is a tenant in good standing.

AMENDMENT DETAILS

<u>Effective Date:</u>	November 14, 2016
<u>Additional premises:</u>	16 square feet
<u>Space Rent Increase:</u>	\$288; subject to annual adjustment of 3% or 20% of the CPI increase, but no greater than 6%

IMPACT ON REVENUE

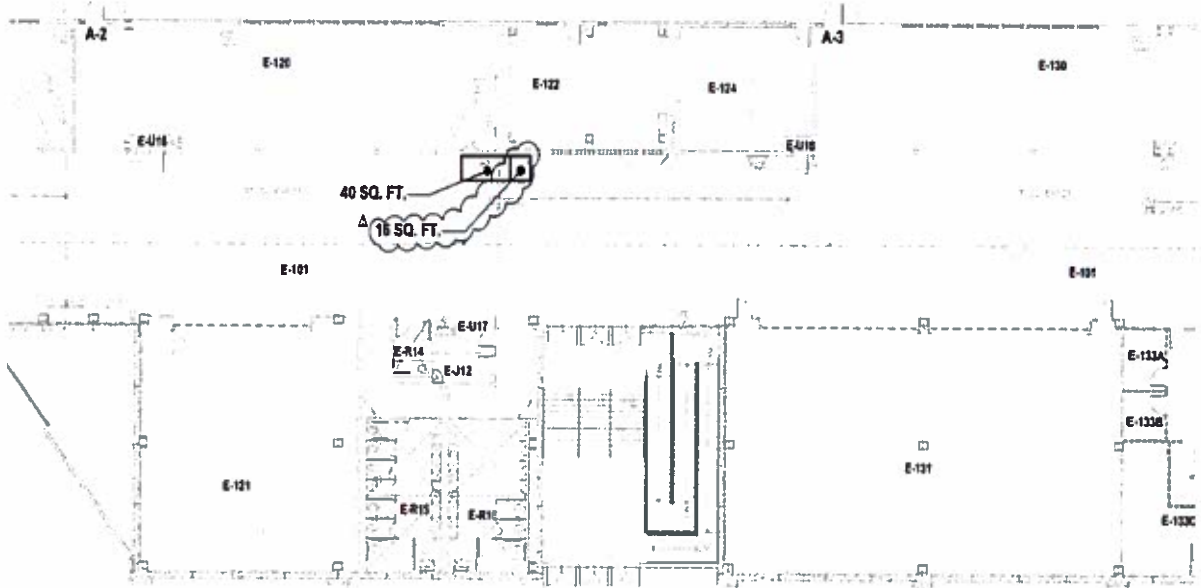
The proposed first amendment will increase the space rental revenue derived from this Agreement in the first year by \$288 annually.

STAFF RECOMMENDATION

Staff seeks a Committee recommendation to the Commission that it approve a proposed First Amendment to the Lease and Concession Agreement between BRICKANDMORTAR.ME, INC. and the Airport Authority and authorize the Authority President to execute same.

Exhibit A

Proposed Increase in Space of 16 Square Feet



EAST CONCOURSE



BRICK AND MORTAR.ME INC. LEASE EXHIBIT



EXHIBIT A

AMENDMENT TO CONCESSION AND LEASE AGREEMENT

This AMENDMENT TO CONCESSION AND LEASE AGREEMENT (this "Amendment") is dated as of _____, 2016 and is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and BRICKANDMORTAR.ME, INC., a California corporation ("Tenant").

RECITALS

A. Landlord and Tenant entered into a Concession and Lease Agreement dated July 11, 2016 (the "Lease").

B. Landlord and Tenant desire to amend the Lease to add approximately sixteen (16) square feet to the Leased Premises.

THEREFORE, in consideration of the foregoing recitals, the mutual terms set forth below, and other consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Leased Premises.** The term "Leased Premises" as used in the Lease shall mean the premises shown and described on the site plan attached hereto as Exhibit "A". Exhibit "A" to the Lease is hereby deleted and the attached Exhibit "A" is hereby substituted in lieu thereof.

2. **Space Rent.** As of the date hereof, the Space Rent shall be increased to Eighty Four and No/100 dollars (\$84.00) per month, which shall be further increased on each Adjustment Date as described in Section 4.4 of the Lease.

IN WITNESS WHEREOF, this Amendment has been executed by the undersigned as of the date first written above.


LANDLORD:

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY, a public entity

By: _____
Print Name: _____
Title: _____

TENANT:

BRICKANDMORTAR.ME, INC.,
a California corporation

By: 
Print Name: Mark Wick Kane
Title: CEO

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
OCTOBER 17, 2016
COMMITTEE PENDING ITEMS**

Current

1. Results of FY 2017 Insurance Program Renewal

Future

1. Vacant Aviation Hangars and Market Conditions