



September 2, 2016

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, September 5, 2016, in observance of Labor Day. Therefore, the regular meeting of the Finance and Administration Committee scheduled for Monday, September 5, 2016, 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 Tuesday, September 6, 2016, 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, September 6, 2016  
10:30 A.M. or Immediately Following the  
Conclusion of the  
Special 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. August 15, 2016 **[See page 1]**
4. Contracts and Leases
  - a. Second Amendment to Ground Lease  
MV Transportation, Inc.
    - Staff Report Attached **[See page 5]**

***Staff seeks a Committee recommendation to the Commission that it approve a Second Amendment to the Ground Lease with MV Transportation, Inc. to extend the term of the lease for an additional four (4) years to September 30, 2020. MV Transportation currently leases 11,762 square feet of paved space on the former Aviall site,***

**located south of Cohasset Street in the City of Burbank, for the purpose of parking and storing BurbankBus buses. The proposed lease amendment will increase the annual revenue from \$24,364 to \$24,900 on October 1, 2016, and will be subject to annual CPI adjustments thereafter.**

5. Items for Discussion

a. CMIA Quarterly Investment Portfolio Review

**No staff report is attached. Columbia Management Investment Advisors will provide an update to the Committee on the status of the Authority's Operating and Passenger Facility Charge Investment Portfolios for the quarter ended June 30, 2016. A copy of this quarterly investment review is included in the agenda packet.**

b. Replacement Terminal Financing Primer

**No staff report is attached. Staff will present to the Committee a general overview of potential financing options for a replacement terminal.**

6. Items for Information

a. Committee Pending Items

**[See page 8]**

**Current**

**1) Replacement Terminal Financing Primer**

**Future**

**1) Vacant Hangars and Market Condition**

**2) Results of Insurance Program Renewal**

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, AUGUST 15, 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 11:11 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: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Scott Smith, Director of Financial Services; Mike Duong, Senior Manager, Business and Compliance; Madeleine Zavala, Manager, Business and Property; Michael Johnston, Business Specialist, Business Property and Administrative Services

1. **Approval of Agenda** The agenda was approved as presented.
  2. **Public Comment** There were no public speakers.
  3. **Approval of Minutes**
    - a. **July 11, 2016** Draft minutes for the July 11, 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. May 2016**

A copy of the May 2016 Treasurer's Report was included in the agenda packet. Staff discussed the Treasurer's Report with the Committee; there were no questions from the Committee.

**Motion**

Commissioner Friedman moved to recommend to the Commission that the May 2016 Treasurer's Report be noted and filed. The motion was seconded by Commissioner Adams.

**Motion Approved**

The motion was approved unanimously (3-0).

**5. Auditor Required Communications for the FY 2016 Financial Audit**

Staff discussed with the Committee two required communications provided by the Authority's auditor, Macias Gini & O'Connell LLP ("MGO"), copies of which were included in the agenda packet: (1) a letter to the Commission outlining its basic audit responsibilities, and planned scope and timing of the FY 2016 financial audits; and (2) an annual engagement letter which conforms to the Authority's professional services agreement with MGO for audit services.

Staff also clarified for the Committee the process by which the auditor is selected to perform these professional services.

Staff recommended that the Committee recommend to the Commission that it note and file these auditor communications.

The Committee agreed unanimously (3-0) to approve Staff's recommendation.

**6. Contracts and Leases**

**a. Sixth Amendment to Lease and Concession Agreement, MCS Burbank, LLC**

Staff presented to the Committee a proposed sixth amendment to the Lease and Concession Agreement with the Airport's food and beverage concessionaire, MCS Burbank, LLC ("MCS"). This amendment will provide MCS with an additional 95 square feet of space at its Peet's Coffee location in Terminal B. The space will be used to provide additional seating. The proposed amendment will generate approximately \$8,539 annually through an increase to the minimum annual guarantee ("MAG") and space rent combined. The new total rent for MCS will be \$1,400,695 annually.

Staff recommended that the Committee recommend to the Commission that it approve the proposed sixth amendment and authorize the Authority President to execute same.

**Motion**

Chairman Tornek moved approval of Staff's recommendation.

**Motion Approved**

Commissioner Adams abstained from voting on this item due to his past financial involvement with MCS.

There being no objection, the motion was approved 2-0 (one abstention).

**7. Items for Discussion**

**a. Quarterly Minor Lease and Purchase Order Update**

Staff reported one minor lease and one professional services agreement for the fourth quarter of FY 2015/2016.

The minor lease is with CenterStaging, LLC ("CenterStaging") for a short-term parking space reservation agreement from June 27, 2015, to August 31, 2016, for 109 parking spaces in Lot B, aka "the Hollyona property." Total revenue for this agreement is \$11,438.46. This lease was included in the Commission's agenda at its meeting immediately preceding the Committee meeting and was approved by the Commission.

The professional services agreement is with Ricondo & Associates ("Ricondo") for \$43,928 for the preparation and submission of documentation to petition the FAA for the release of Airport surplus land for sale to a third party in conjunction with the sale of the Trust Property. Staff noted that although the services provided by Ricondo occurred during April-June 2016, this agreement was not previously reported to the Committee.

**8. Items for Information**

**a. Committee Pending Items**

**Future**

**1) Vacant Aviation Hangars and Market Conditions**

Staff reported it anticipates discussing the issue of vacant aviation hangars and market conditions with the Committee at its September 6 meeting.

**2) Replacement Terminal**

Staff noted that an overview of the Replacement

**2) Replacement Terminal  
Project Finance Primer**

Staff noted that an overview of the Replacement Terminal Project Finance Primer will be agendaized for the Committee's September 6 meeting.

**9. Other Contracts and Leases**

There were no other contracts and leases to be discussed.

**10. Adjournment**

There being no further business, the meeting was adjourned at 11:30 a.m.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
SEPTEMBER 6, 2016**

**SECOND AMENDMENT TO GROUND LEASE  
MV TRANSPORTATION, INC.**

**SUMMARY**

Staff seeks a recommendation of the Finance and Administration Committee ("Committee") to the Commission that it approve a Second Amendment to Ground Lease ("Lease") with MV Transportation, Inc. ("MV Transportation"), to extend the term of the Lease for an additional four (4) years to September 30, 2020. MV Transportation currently leases 11,762 square feet of paved space on the former Aviall site, located south of Cohasset Street in the City of Burbank, for the purpose of parking and storing BurbankBus buses. The proposed lease amendment will increase the annual revenue from \$24,364 to \$24,900 on October 1, 2016, and will be subject to annual CPI adjustments thereafter.

**BACKGROUND**

In 2011 the City of Burbank ("City") awarded a contract to MV Transportation to operate its BurbankBus service. MV Transportation, whose corporate headquarters is based in Dallas, Texas, operates at more than 130 locations across North America. BurbankBus provides public transit service to various locations within the City of Burbank.

MV Transportation approached Staff looking to lease space to park and store BurbankBus buses. The initial lease provided for the parking and storage of the MV Transportation fleet for a period of three (3) years that commenced on October 1, 2011. The Lease was amended in September 2014 for a period of two (2) years and is scheduled to expire on September 30, 2016.

MV Transportation now seeks to extend the term of the Lease with the Authority for the continued parking and storage of its BurbankBus fleet through the proposed second amendment to September 30, 2020.

**DETAILS**

The key components of the Ground Lease, including the proposed amendment, are as follows:

<b><u>Premises:</u></b>	11,762 square feet of paved space on the former Aviall site located south of Cohasset Street in the City of Burbank
<b><u>Use:</u></b>	Parking and storage of approximately sixteen (16) buses used in the operation of the City of Burbank's BurbankBus service. Servicing of vehicles is prohibited.
<b><u>Term:</u></b>	Four (4) year term, no extension options



<u>Base Rent:</u>	\$24,900 per year
<u>Adjustments:</u>	Annual adjustments at 120% of CPI not to exceed 6% annually
<u>Security Deposit:</u>	Six (6) months' rent
<u>Termination:</u>	Standard terms. Early termination may be invoked by either party by delivering thirty (30) days' prior written notice.
<u>Other:</u>	Tenant to pay all expenses related to its occupancy including all required permits, improvements, maintenance, utilities and taxes.

### IMPACT ON REVENUE

The proposed amendment adjusts annual rent from \$24,364 to \$24,900 effective October 1, 2016.

### STAFF RECOMMENDATION

Staff recommends that the Finance and Administration Committee recommend to the Commission that it approve a Second Amendment to the Ground Lease with MV Transportation, Inc., as described above and to authorize the Authority President to execute same.

**SECOND AMENDMENT TO GROUND LEASE**

This SECOND AMENDMENT TO GROUND LEASE (this "Second 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 MV TRANSPORTATION, INC., a California corporation ("Tenant").

**RECITALS**

- A. Landlord and Tenant entered into a Ground Lease dated October 1, 2011 and amended it by a First Amendment to Ground Lease dated September 15, 2014 (the "Lease").
- B. The Lease expires on September 30, 2016.
- C. Landlord and Tenant desire to extend the Lease as provided in this Amendment.

THHEREFORE, 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. Term. The term of the Lease is hereby extended to September 30, 2020, and the term "Expiration Date" as used in the Lease shall mean September 30, 2020.
- 2. Monthly Rent. As of the date hereof, the Monthly Rent is \$2,075.00. Such Monthly Rent shall be adjusted on October 1, 2017 and October 1, 2018, and October 1, 2019 in accordance with Section 3.1.2 of the Lease.

IN WITNESS WHEREOF, this Second 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:**

MV TRANSPORTATION, INC.,  
a California corporation

By:   
Print Name: Robert A. Pagorek  
Title: CFO

By:   
Print Name: Gary Richardson  
Title: VP Finance

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
SEPTEMBER 6, 2016  
COMMITTEE PENDING ITEMS**

Current

1. Replacement Terminal Financing Primer

Future

1. Vacant Hangars and Market Condition
2. Results of Insurance Program Renewal