



September 16, 2021

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, September 20, 2021, at 9:30 a.m., or immediately following the Commission meeting, in the Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Commission or staff may participate in this meeting via teleconference. In the interest of maintaining appropriate social distancing, members of the public may observe and participate in the meeting telephonically through the following number:

*Dial In: (978) 990-5000*

*Access Code: 880737#*

Terri Williams, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

REGULAR MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE

Skyroom

Monday, September 20, 2021  
9:30 a.m., or Immediately Following  
the Conclusion of the  
Commission Meeting

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

*The public comment period is the opportunity for members of the public to address the Committee on agenda items and on airport-related non-agenda matters that are within the Committee's subject matter jurisdiction. At the discretion of the presiding officer, public comment on an agenda item may be presented when that item is reached.*

*Members of the public are requested to observe the following decorum when attending or participating in meetings of the Committee:*

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the Committee during the public comment period, fill out a speaker request card and present it to the Board Secretary.*
- *Confine remarks to agenda items or to airport-related non-agenda matters that are within the Committee's subject matter jurisdiction.*
- *Limit comments to five minutes or to such other period of time as may be specified by the presiding officer.*

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*The following activities are prohibited:*

- *Allocation of speaker time to another person.*
- *Video presentations requiring use of Authority equipment.*

▼ ▼ ▼

*Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Committee less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 N. Hollywood Way, Burbank) in the administrative office during normal business hours.*

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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

Monday, September 20, 2021

1. Roll Call
2. Staff Announcement: AB 23
3. Approval of Agenda
4. Public Comment  
(For items not on the Agenda. Public Comment on specific Agenda items will be received at the time the item is presented.)
5. Approval of Minutes
  - a. August 16, 2021 **[See page 1]**
6. Items for Approval
  - a. Terminal Space Lease  
HG Burbank JV DBA Hudson Group Retail, LLC **[See page 4]**  
  
***A staff report is attached. Staff seeks the recommendation of the Finance and Administration Committee to the Commission for approval of a proposed Terminal Space Lease with HG Burbank JV dba Hudson Group Retail, LLC to provide two post-security concession kiosks inside Terminal A at Hollywood Burbank Airport.***
  - b. First Amendment to Concession and Lease Agreement  
Certified Folder Display Service, Inc. **[See page 6]**  
  
***A staff report is attached. Staff seeks the recommendation of the Finance and Administration Committee to the Commission for approval of the proposed First Amendment to the Concession and Lease Agreement with Certified Folder Display Service, Inc.***
7. Items for Discussion
  - a. Authority Financial Procedures  
  
***No staff report attached. This item has been placed on the Committee's agenda for discussion purposes regarding the Authority's financial procedures. Items such as general operating reserves, reporting and internal controls will be placed on a future Committee meeting agenda for further discussion.***

8. Items for Information

a. Presentation of FY 2022 Insurance Program

***No staff report attached. Willis Towers Watson, the Authority's current insurance broker, will provide an overview of the FY 2022 Insurance Renewal Program.***

b. Committee Pending Items

***[See page 10]***

9. Adjournment

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

**MONDAY, AUGUST 16, 2021**

A regular meeting of the Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 11:42 a.m., by Commissioner Selvidge.

**1. ROLL CALL**

**Present:** Commissioners Selvidge, Najarian, Ovrom

**Absent:** None

**Also Present:** Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; David Kwon, Director, Financial Services; Scott Kimball, Deputy Executive Director, Business and Properties, SMS, Procurement and Operations

Also Present: James Wilkinson, Columbia Threadneedle Investments (via teleconference); John Dempsey, Columbia Threadneedle Investments (via teleconference)

**2. Staff Announcement: AB 23**

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 in attendance is entitled to receive and shall be provided \$200.

**3. Approval of Agenda**

Agenda was approved as presented.

Commissioner Selvidge announced that Item No. 8.a. would be taken after Item No. 5.a. There were no objections.

**4. Public Comment**

There were no public comments.

**5. Approval of Minutes**

**a. July 19, 2021**

Draft minutes for the July 19, 2021, Finance and Administration Committee meeting was presented for approval.

**Motion**

Commissioner Ovrom moved approval of the minutes, seconded by Commissioner Najarian.

**Motion Approved**

There being no objection, the motion was approved (3-0).

## **8. Items for Discussion**

### **a. CTI Quarterly Investment Review Fourth Quarter (April – June 2021)**

Staff introduced James Wilkinson of Columbia Threadneedle Investments, the Authority's investment advisor, who participated via teleconference.

Mr. Wilkinson and his colleague John Dempsey presented an update on the status of the Authority's Operating and Passenger Facility Charge Quarterly Investment Portfolio reports ended June 30, 2021.

## **6. Treasurer's Report**

### **a. June 2021**

A copy of the June 2021 Treasurer's Report was included in the agenda packet for the Committee's review.

#### **Motion**

Commissioner Ovrom moved to recommend that the Committee note and file the June 2021 Treasurer's Report; seconded by Commissioner Najarian.

#### **Motion Approved**

There being no objection, the motion was unanimously approved (3–0).

## **7. Items for Approval**

### **a. Award of Aviation Hangar Lease Hangar 89; Sublease Consents**

Staff presented to the Committee for recommendation to the Commission to approve an Aviation Hangar Lease ("Lease") with Thornton Aircraft Company, LLC for Hangar 89. Thornton seeks a 5-year lease term with an option for one five-year extension to store and maintain general aviation aircraft at the Airport.

Also presented to the Committee for approval by the Commission were three (3) sublease consents for firms that work along with Thornton and are essential to the proposed Lease.

#### **Motion**

Commissioner Najarian moved approval; seconded by Commissioner Ovrom.

#### **Motion Approved**

There being no objection, the motion was unanimously approved (3–0).

**8. Items for Discussion (Continued)**

**b. Replacement Passenger Terminal Program Monitoring**

Staff presented for discussion with the Committee information regarding the financial monitoring of the Replacement Passenger Terminal Program.

Staff answered questions from the Committee regarding the special Commission meeting regarding the Replacement Passenger Terminal scheduled for Monday, August 23, 2021.

**9. Items for Information**

**a. Committee Pending Items**

Staff informed the Committee of future pending items that will come to the Committee for review.

**10. Adjournment**

There being no further business to discuss, the meeting was adjourned at 12:46 p.m.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
SEPTEMBER 20, 2021**

**TERMINAL SPACE LEASE  
HG BURBANK JV DBA HUDSON GROUP RETAIL, LLC**

Presented by Scott Kimball  
Deputy Executive Director, Operations, Business, Procurement and Safety

**SUMMARY**

Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission for approval of a proposed Terminal Space Lease ("Lease") with HG Burbank JV dba Hudson Group Retail, LLC ("Hudson") to provide two post-security concession kiosks inside Terminal A at Hollywood Burbank Airport.

**BACKGROUND**

The Authority entered into a ten-year Non-Exclusive Concession Lease Agreement with Hudson on April 20, 2015, to provide the best retail options for our passengers and enhance their traveling experience.

Hudson is a tenant in good standing and seeks to enter into a Terminal Space Lease to provide two unmanned retail kiosks located adjacent to Gate A2, to dispense consumer electronic products, primarily Apple, Beats and Brookstone branded products.

The performance term of this Lease will be for three years, with two one-year extension options. The Authority will have the right to terminate the proposed Lease upon 30 days' prior written notice to Hudson.

Monthly rent will be the greater of \$250 or 9% of the monthly gross revenue per machine with a fixed annual rent adjustment of 3% per machine.

**DETAILS**

Key components of the proposed Lease are:

Premises: Post-security Terminal A, Gate A2

Use: Provide consumer electronic products, primarily Apple, Beats and Brookstone branded products.

Term: Three years with two one-year extension options

Termination: 30-days prior written notice



Rent: Monthly rent will be set at the greater of \$250 or 9% of the monthly gross revenue per machine.

Adjustments: 3% fixed annual increase

Other: Executive Director shall have the ability to remove, relocate or approve additional kiosks on an as-needed basis with a 30-day prior written notice.

#### REVENUE IMPACT

The proposed Lease will have a positive impact on the Authority's operating budget by generating a minimum of \$250 per month per machine plus the annual applicable rent adjustments as described above.

#### STAFF RECOMMENDATION

Staff seeks the Committee recommendation to the Commission that it approve the proposed Lease with Hudson, authorize the President to execute same, and authorize the Executive Director to execute the extension options if Hudson remains a tenant in good standing.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
SEPTEMBER 20, 2021**

**FIRST AMENDMENT TO CONCESSION AND LEASE AGREEMENT  
CERTIFIED FOLDER DISPLAY SERVICE, INC.**

Presented by Scott Kimball  
Deputy Executive Director, Operations, Business, Procurement, Safety

**SUMMARY**

Staff seeks the recommendation of the Finance and Administration Committee (“Committee”) to the Commission for approval of the proposed First Amendment (“Amendment”) to the Concession and Lease Agreement (“Agreement”) with Certified Folder Display Service, Inc. (“Certified Folder”).

**BACKGROUND**

Since 2010, Certified Folder has been providing at the Airport display racks with brochures and magazines that provide information on activities and attractions in the Burbank/Los Angeles area and the Southern California region. Certified Folder generates its revenue by selling these brochures and magazines to the area’s product and service providers. These racks are currently installed in the Terminal A Baggage Claim, Terminal B Baggage Claim, the hallway adjacent to the main entryway of Terminal A and the Customer Service Building located on the second floor of the Regional Intermodal Transportation Center.

The Agreement is scheduled to expire on January 1, 2022. Certified Folder seeks to extend the Agreement for an additional three years to January 1, 2025, with two one-year extension options. If the proposed Amendment is approved, the Authority will retain the right to terminate the Agreement upon 120 days’ prior written notice.

Certified Folder has been and remains a tenant in good standing.

**DETAILS**

The key components of the proposed Amendment are:

- |            |  |
|------------|--|
| Locations: | <p>One display in Terminal A Baggage Claim</p> <p>One display in Terminal B Baggage Claim</p> <p>Two displays in the hallway adjacent to the Main entrance in Terminal A</p> <p>One display in Customer Service Building on the second floor of the RITC</p> |
| Use:       | <p>Provide display racks for brochures and magazines with information on activities and attractions in the Burbank/Los Angeles local area and the Southern California region</p>   |

Term: Three years with two one-year extension options

Improvements: Tenant is responsible for the installation, maintenance and other necessary infrastructure as may be required

Concession Fee: 25% of monthly gross sales  
Pre-Pandemic (July 2019 - June 2020):  
Average sales: \$3,388 per month

Pandemic period (July 2020 - June 2021):  
Average sales: \$1,700 per month

Termination: 120 days' prior written notice by either party

#### IMPACT ON REVENUE

The proposed Amendment would be revenue neutral as Certified Folder shall continue to pay 25% of its monthly gross sales.

#### STAFF RECOMMENDATION

Staff seeks a Committee recommendation to the Commission that it approve the proposed Amendment, authorize the President to execute same, and authorize the Executive Director to execute any the extension options if Certified Folder remains a tenant in good standing.

**FIRST AMENDMENT TO  
CONCESSION AND LEASE AGREEMENT**

This FIRST AMENDMENT TO CONCESSION AND LEASE AGREEMENT (this "Amendment") is dated as of \_\_\_\_\_, 2021 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 CERTIFIED FOLDER DISPLAY, INC., a California corporation ("Tenant").

**RECITALS**

A. Landlord and Tenant entered into a Concession and Lease Agreement dated November 12, 2015 ("Agreement"), pursuant to which Tenant was granted the non-exclusive right to operate an advertising display business within the air passenger terminal of the Burbank-Glendale-Pasadena Airport ("Airport").

B. The Agreement expires on January 1, 2022.

C. Landlord and Tenant desire to amend the Agreement to extend the term of the Agreement to January 1, 2025, give Tenant two one-year options to extend further (subject to approval of the Executive Director of the Landlord) and delete the right of Tenant to operate a retail men's grooming and lifestyle business.

THEREFORE, the parties hereto agree as follows:

1. Defined Terms. Unless this Amendment provides otherwise, capitalized terms used herein shall have the meanings set forth in the Agreement.
2. Extension of Term of Agreement. The term of the Agreement is hereby extended to January 1, 2025, subject to further extension as set forth in Section 3 below.
3. Additional Extensions. Tenant may further extend the term, subject to the written consent of the Executive Director of Landlord, for up to two (2) additional years (each extension being for one-year each) upon written request to Landlord given at least thirty (30) days prior to the then scheduled expiration date of the Agreement.
4. Removal of a Permitted Use. Clause (i) of Section 4 of the Agreement is hereby deleted.
5. Effect of Amendment. Except as expressly amended by this Amendment, the terms of the Lease shall remain in full force and effect.

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

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TENANT:**

CERTIFIED FOLDER DISPLAY, INC.

By:  \_\_\_\_\_

Print Name: BILL DEERING

Title: SR. VICE PRESIDENT

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
SEPTEMBER 20, 2021**

**COMMITTEE PENDING ITEMS**

**Future**

1. Award of Hangar Lease (Renewal) – Hangar 2 (JetSuite)
2. Succeeding Lease – TSA
3. BOINGO
4. Discussions regarding Authority financial procedures