



March 31, 2022

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, April 4, 2022, at 9:30 a.m., or immediately following the Commission meeting, in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

Pursuant to Government Code Section 54953(e), members of the Commission may participate in this meeting via teleconference. In the interest of maintaining appropriate social distancing, a physical location is not being provided for the public to attend or comment. Members of the public may observe the meeting telephonically and may offer comment in real time 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

Airport Skyroom
Monday, April 4, 2022
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.

When in-person attendance or participation at meetings of the Committee is allowed, members of the public are requested to observe the following rules of decorum:

- *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.*

▼ ▼ ▼

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.

▼ ▼ ▼

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.

A G E N D A

Monday, April 4, 2022

1. Roll Call
2. Staff Announcement: AB 23
3. Approval of Agenda
4. Public Comment
5. Approval of Minutes
 - a. March 21, 2022 **[See page 1]**
6. Items for Approval
 - a. Amendment No. 1 to Aviation Hangar Leases
Netflix, Inc. **[See page 4]**

Staff seeks a Finance and Administration Committee recommendation to the Commission for approval of Amendment No. 1 to two Aviation Hangar Leases with Netflix, Inc. to memorialize extension of the term of each for an additional five years to April 30, 2027.
7. Items for Discussion
 - a. Fiscal Year 2022/2023 ("FY 2023") Budget Development

No staff report attached. As part of the budget development process, Staff will review with the Committee the proposed FY 2023 Capital Projects.
 - b. Replacement Passenger Terminal Financing Update

No staff report attached. This item has been placed as a standing item on the agenda to allow the Committee to discuss the RPT Financing.
8. Items for Information
 - a. Committee Pending Items **[See page 8]**
9. Adjournment

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

MONDAY, MARCH 21, 2022

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 11:45 a.m., by Commissioner Selvidge.

1. ROLL CALL

Present: Commissioners Selvidge (via teleconference),
Najarian (via teleconference), 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

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.

Commissioner Selvidge announced that Item No. 8.a. CTI Quarterly Investment Portfolio Review would be taken after Item No. 5.a.

3. Approval of Agenda

Agenda was approved as presented.

Motion

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

Motion Approved

There being no objection, a voice vote was taken to accommodate those Commissioners participating via teleconference. The motion was approved (3-0).

4. Public Comment

There were no public comments.

5. Approval of Minutes

a. February 22, 2022

Draft minutes for the February 22, 2022, Finance and Administration Committee special meeting were presented for approval.

Motion

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

Motion Approved

There being no objection, a voice vote was taken to accommodate those Commissioners participating via teleconference. The motion was approved (3–0).

8. Items for Discussion

a. CTI Quarterly Investment Review October 1, 2021 – December 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 December 31, 2021.

6. Treasurer's Report

a. January 2022

A copy of the Treasurer's Report for January 2022 was included in the agenda packet for the Committee's review.

Motion

Commissioner Ovrom moved approval; seconded by Commissioner Najarian.

Motion Approved

There being no objection a voice vote was taken to accommodate those participating via teleconference. The motion was approved (3–0) that it be forwarded to the Commission for note and file.

7. Items for Approval

a. Award of Professional Services Agreement - External Auditing Services

Staff sought Committee recommendation to the Commission for approval of an Award of Professional Services Agreement for External Auditing Services with Macias Gini & O'Connell LLP ("MGO"). The award will be in a not-to-exceed amount of \$595,896 for external auditing services for the fiscal years ("FY") 2022 – FY 2024 with two one-year options for FY 2025 and FY 2026. The contract will have a not-to-exceed amount of \$340,027 for the three-year

base period, and not-to-exceed amounts of \$124,908 and \$130,934 for each option period, respectively.

Motion

Commissioner Ovrom moved approval; seconded by Commissioner Najarian.

Motion Approved

There being no objection a voice vote was taken to accommodate those participating via teleconference. The motion was approved (3–0).

8. Items for Discussion (continued)

b. Fiscal Year 2022/2023 (“FY 2023”) Budget Development

Staff presented and discussed with the Committee the significant and noteworthy issues with developing the FY 2023 budget.

c. Replacement Passenger Terminal Financing Update

Staff updated the Committee on matters involving the financing of the Replacement Passenger Terminal project.

Commissioner Ovrom inquired about the possibility of Staff producing a Community Newsletter to keep the public updated on matters involving the Replacement Passenger Terminal Project. Staff will forward the suggestion to the Legal Committee.

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 1:10 p.m.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
APRIL 4, 2022**

**AMENDMENT NO. 1 TO AVIATION HANGAR LEASES
NETFLIX, INC.**

Presented by Scott Kimball
Deputy Executive Director, Operations, Business and SMS

SUMMARY

Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission for approval of Amendment No. 1 ("Amendment") to two Aviation Hangar Leases ("Leases"), copies attached, with Netflix, Inc. ("Netflix") to memorialize extension of the term of each for an additional five years to April 30, 2027. Netflix has separate Leases for Hangar 39 and Hangar 43.

BACKGROUND

Netflix, a Delaware corporation headquartered in Los Gatos, California, is an entertainment company that specializes in and provides streaming media and video-on-demand through online services and DVD mailings.

On May 15, 2017, Netflix was granted a Lease for Hangar 43 for the purpose of storing its corporate aircraft. Since that time, Netflix has experienced a substantial growth in its business and purchased several new aircrafts for its corporate fleet. On February 4, 2019, Netflix entered into a Lease for Hangar 39 for the same purpose.

Both Leases originally had an April 30, 2022, expiration date. Under Section 2.2 of both Leases, Netflix has the option to extend the term for a five-year period by notifying the Authority in writing of its desire to exercise its extension option no later than 180 days prior to the expiration date.

On October 15, 2021, Netflix delivered its written notice to extend both Leases for an additional five years to April 30, 2027. The Amendments will memorialize Netflix's exercise of its extension options. All other terms, conditions and rent fees remain unchanged.

Netflix is a tenant in good standing and has met all its obligations under the current Leases.

DETAILS

The key components of the two proposed Amendments to Leases are as follows:

Locations:	Hangar 39 and 43
Use:	Storage of general aviation aircraft
New Expiration Date:	April 30, 2027

Hangar 39 Space Rent:	\$460,461.94 per year
Hangar 43 Space Rent:	\$446,134.08 per year
Hangar 43 Office Space Rent:	\$195,348.67 per year
Adjustment:	Greater of 3% per year or 120% of CPI, not to exceed 6% annually
Termination:	Six months prior written notice to Tenant by Landlord
Others:	Tenant responsible for expenses related to occupancy including maintenance, utilities, share of property insurance and applicable taxes

IMPACT ON REVENUE

The proposed Amendments extend the term of both Leases for five years.

STAFF RECOMMENDATION

Staff seeks a Committee recommendation to the Commission that it approve both proposed Amendments to the Leases with Netflix and authorize the Authority President to execute same.

**FIRST AMENDMENT TO
AVIATION HANGAR LEASE**

(Netflix; Hangar 39)

This FIRST AMENDMENT TO AVIATION HANGAR LEASE (this "Amendment") is dated as of _____, 2022 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 NETFLIX, INC., a Delaware corporation ("Tenant").

RECITALS

A. Landlord and Tenant entered into an Aviation Hangar Lease Agreement dated February 4, 2019 ("Agreement"), pursuant to which Tenant leased Hangar 39 at the Hollywood Burbank Airport ("Airport").

B. The Agreement expires on April 30, 2022.

C. Tenant exercised its option under Section 2.2 of the Agreement to extend the term to April 30, 2027 by written notice to Landlord dated October 15, 2021, and the parties desire to confirm that extension in this "Amendment".

THEREFORE, the parties hereto confirm/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. The term of the Agreement has been extended to April 30, 2027.
3. 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:

NETFLIX, INC.

By: _____

Print Name: Peter Murphy

Title: Manager, Real Estate Transactions

**FIRST AMENDMENT TO
AVIATION HANGAR LEASE**

(Netflix; Hangar 43)

This FIRST AMENDMENT TO AVIATION HANGAR LEASE (this "Amendment") is dated as of _____, 2022 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 NETFLIX, INC., a Delaware corporation ("Tenant").

RECITALS

A. Landlord and Tenant entered into an Aviation Hangar Lease Agreement dated May 15, 2017 ("Agreement"), pursuant to which Tenant leased Hangar 43 at the Hollywood Burbank Airport ("Airport").

B. The Agreement expires on April 30, 2022.

C. Tenant exercised its option under Section 2.2 of the Agreement to extend the term to April 30, 2027 by written notice to Landlord dated October 15, 2021, and the parties desire to confirm that extension in this "Amendment".

THEREFORE, the parties hereto confirm/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.** The term of the Agreement has been extended to April 30, 2027.
3. **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:

NETFLIX, INC.

By: _____

Print Name: Peter Murphy

Title: Manager, Real Estate Transactions

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
APRIL 4, 2022**

COMMITTEE PENDING ITEMS

Tentative Presentation

1.	FY 2023 Budget Development (Continued)	Continuing
2.	Concession Revenue and Performance	April 2022
3.	Amendment of Hangar Lease – Ameriflight	May 2022
4.	Consent of Sublease – Ameriflight	May 2022
5.	Award of Hangar Lease – JetSuite (Hangar 2)	May 2022
6.	Amendment of Hangar Lease – Star Aviation (extension)	April 2022
7.	Internal Controls Presentation	April 2022
8.	Federal Relief for Concessions	May 2022
9.	Amendment of Hangar Lease – Innova Aviation (Hangar 88)	April 2022
10.	Amendment of Hangar Lease – Avalon (Hangar 38)	April 2022
11.	Succeeding Lease TSA	TBD
12.	BOINGO	TBD
13.	Authority Financial Procedures	Continuing