



May 11, 2023

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

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Monday, May 15, 2023, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, CA 91505.

In addition to attending the meeting in person, members of the public may observe the meeting telephonically and may offer comment in real time through the following number:

*Dial In: (818) 862-3332*

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

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Regular Meeting of May 15, 2023

9.00 A.M.

*The public comment period is the opportunity for members of the public to address the Commission on agenda items and on airport-related non-agenda matters that are within the Commission'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 in-person attendance or participation at meeting of the Commission 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 Commission 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 Commission's subject matter jurisdiction.*
- *Limit comments to three 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 Commission 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, May 15, 2023

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT (Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.)
5. CONSENT CALENDAR (Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)
  - a. Committee Minutes  
(For Note and File)
    - 1) Operations and Development Committee  
(i) April 3, 2023 ***[See page 1]***
    - 2) Finance and Administration Committee  
(i) April 17, 2023 ***[See page 4]***
    - 3) Legal, Government and Environmental Affairs Committee  
(i) April 17, 2023 ***[See page 6]***
  - b. Committee Minutes  
(For Approval)
    - 1) May 1, 2023 ***[See page 8]***
  - c. Treasurer's Report
    - 1) February 2023 ***[See page 12]***
  - d. Fifteenth Amendment to the Lease and Concession Agreement  
MCS Burbank, LLC ***[See page 37]***
  - e. Transportation Security Administration Terminal Space Lease ***[See page 42]***
  - f. Organizational Governance Structure Study ***[See page 44]***

- g. Amendment No. 2 to Self-Park Management Services and Valet Parking Services Agreement; and Amendment No. 2 to Courtesy Shuttle Services Agreement **[See page 46]**

- h. Airport Carbon Accreditation Emissions Reduction Target for Hollywood Burbank Airport **[See page 53]**

## 6. ITEMS FOR COMMISSION APPROVAL

- a. Adoption of Debt Management Policy **[See page 65]**

- b. Replacement Passenger Terminal Project Selection of Commercial Paper Program Letter of Credit Banks, Dealer and Issuing and Paying Agent **[See page 74]**

- c. Appointment of Senior Manager and TIFIA Loan Arranger Replacement Passenger Terminal Financing Program Initial Phase **[See page 80]**

## 7. ITEMS FOR COMMISSION INFORMATION

- a. Air Service and Marketing Update

- b. March 2023 Passenger and Air Cargo Statistics **[See page 90]**

- c. March 2023 Ground Transportation Statistics

- d. March 2023 Parking Statistics

## 8. CLOSED SESSION

- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (California Government Code Section 54956.9(d)(1))

Name of Case: City of Los Angeles v FAA et al. (Case No. 21-71170) (9th Cir. 2021)

## 9. ITEMS PULLED FROM CONSENT CALENDAR

## 10. EXECUTIVE DIRECTOR COMMENTS

## 11. COMMISSIONER COMMENTS

(Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for future meeting.)

## 12. PUBLIC COMMENT

## 13. ADJOURNMENT



## COMMISSION NEWSLETTER

Monday, May 15, 2023

*[Regarding agenda items]*

### 5. CONSENT CALENDAR

*(Consent Calendar items may be enacted by one motion. There will be no separate discussion on these items unless a Commissioner so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda.)*

- a. COMMITTEE MINUTES. Approved minutes of the Operations and Development Committee meeting of April 3, 2023; approved minutes of the Finance and Administration Committee meeting of April 17, 2023; and approved minutes of the Legal, Government and Environmental Affairs Committee meeting of April 17, 2023, are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. A draft copy of the May 1, 2023, Commission meeting minutes is attached for the Commission's review and approval.
- c. TREASURER'S REPORT. The Treasurer's Report for February 2023 is included in the agenda packet. At its meeting on May 1, 2023, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission note and file this report.
- d. FIFTEENTH AMENDMENT TO THE LEASE AND CONCESSION AGREEMENT MCS BURBANK, LLC. A staff report is included in the agenda packet. At its meeting held on May 1, 2023, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission approve of the proposed Fifteenth Amendment ("Amendment") to the Lease and Concession Agreement with the Authority's exclusive food and beverage concessionaire, MCS Burbank, LLC. The proposed Amendment will provide an additional 185 square feet at Guy's High Ball Lounge for customer Seating.
- e. TRANSPORTATION SECURITY ADMINISTRATION TERMINAL SPACE LEASE. A staff report is included in the agenda packet. At its meeting held on May 1, 2023, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission approve of the proposed Terminal Space Lease with the General Services Administration on behalf of the Transportation Security Administration ("TSA") for 3,500 square feet of exclusive use space for a period of three years to support TSA's operation in the current terminal.
- f. ORGANIZATIONAL GOVERNANCE STRUCTURE STUDY. A staff report is included in the agenda packet. At its meeting on May 1, 2023, Staff requested direction from the Legal, Government and Environmental Affairs Committee regarding the undertaking of an organizational governance structure. The findings of that meeting will be presented at the Commission meeting.

- g. AMENDMENT NO. 2 TO SELF-PARK MANAGEMENT SERVICES AND VALET PARKING SERVICES AGREEMENT, AND AMENDMENT NO. 2 TO COURTESY SHUTTLE SERVICES AGREEMENT. A Staff report is included in the agenda packet. The existing parking management (self-park and valet) and courtesy shuttle agreements are set to expire June 30, 2023. Due to a delay incurred with the issuance of a Request for Proposals ("RFP") for these services, Staff seeks a limited three (3) month extension of the respective service agreements with the two current services providers. The RFP is requesting bids for combined parking management and courtesy shuttle operations. This extension will allow time to conclude the RFP process and present a recommended contract for award to the Commission.

Subject to approval by the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks Commission approval of: 1) A proposed Amendment No. 2 to the Self-Park Management Services and Valet Parking Services Agreement with SP Plus Corporation to extend the agreement to September 30, 2023. If approved, the proposed amendment would become effective immediately, continuing with the current fee structure; and 2) A proposed Amendment No. 2 to the Courtesy Shuttle Services Agreement with MV Transportation, Inc. to extend the agreement to September 30, 2023, and increase the monthly fee from \$239,493.56 to \$246,678.36 (fuel costs will continue to be paid by the Authority). If approved, the proposed amendment would become effective July 1, 2023.

- h. AIRPORT CARBON ACCREDITATION EMISSIONS REDUCTION TARGET FOR HOLLYWOOD BURBANK AIRPORT. A staff report is included in the agenda packet. At its meeting held on May 1, 2023, the Legal, Government and Environmental Affairs Committee voted unanimously (3-0) to recommend that the Commission approve Resolution No. 501 which is the Hollywood Burbank Airport's ("Airport") Emission Reduction Target statement. This is part of the ongoing effort to achieve Level 2 Airport Carbon Accreditation certification from the Airport Council International to support the Burbank-Glendale-Pasadena Airport Authority's sustainability efforts in reducing the carbon emissions footprint of the Airport.

## 6. ITEMS FOR COMMISSION APPROVAL

- a. ADOPTION OF DEBT MANAGEMENT POLICY. A staff report is included in the agenda packet. At its meeting held on May 1, 2023, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission adopt a Debt Management Policy ("Policy"), in the form set forth in Exhibit A of the attached proposed Resolution No. 502. The Policy is recommended to be in place before the Commission takes final action to authorize the issuance and sale of commercial paper notes as interim financing for the Replacement Passenger Terminal project.
- b. REPLACEMENT PASSENGER TERMINAL PROJECT SELECTION OF COMMERCIAL PAPER PROGRAM LETTER OF CREDIT BANKS, DEALER AND ISSUING AND PAYING AGENT. A staff report is included in the agenda packet. Over the past few months, Staff and the financing team have been developing the Authority's commercial paper ("CP") program to provide interim financing to support the development of the Replacement Passenger Terminal ("RPT") project. As part of that

effort, qualified financial institutions have been solicited to serve various roles necessary to implement the CP program.

At its meeting held on May 1, 2023, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission approve the selection of Barclays Bank and Sumitomo Mitsui Bank Corporation as letter of credit providers, Barclay Capital Inc., as the CP dealer and Zions Corporate Trust as the issuing and paying agent for the Authority's CP program to provide the interim financing in support of the RPT project.

- c. APPOINTMENT OF SENIOR MANAGER AND TIFIA LOAN ARRANGER – REPLACEMENT PASSENGER TERMINAL FINANCING PROGRAM INITIAL PHASE. A staff report is included in the agenda packet. Staff and the financing team (Public Resources Advisory Group and Ricondo & Associates) have been working to secure a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan from the United States Department of Transportation to finance the Replacement Passenger Terminal ("RPT") project.

Citigroup Global Markets Inc. ("Citi") has provided important expertise with this effort over the past five years. Citi also is the investment banking firm most knowledgeable of the Authority's RPT project. Based on this, it is appropriate to formalize Citi's role within the overall financing program.

The Authority will issue the GARBs under the Marks-Roos Local Bond Pooling Act (Government Code Sections 6584 *et. seq.*). Under the Local Bond Pooling Act, the Authority may sell the GARBs to a pre-selected underwriter without a competitive bidding process. Government Code Section 5956.5 (which pertains to agreements for certain infrastructure projects) also permits the Authority to contract with a private entity without undergoing competitive bidding.

At its meeting held on May 1, 2023, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission approve the appointment of Citi as the Authority's TIFIA loan arranger and senior manager of the underwriters for the first \$600 million of general airport revenue bonds for the RPT project.

## 7. ITEMS FOR COMMISSION INFORMATION

- a. AIR SERVICE AND MARKETING UPDATE. No staff report attached. Staff, along with Michael Fiore, Co-Founder and Chief Brand Officer of Anyone Collective, will present basic information on the Authority's air service development (ASD) program, along with a general overview of the ASD program's marketing activity.
- b. MARCH 2023 PASSENGER AND AIR CARGO STATISTICS. The March 2023 passenger count of 494,296 was up 8% compared to March of 2019's 459,829 passengers. Also compared to March 2019, air carrier aircraft operations in March 2023 were up 5%, while cargo volume was down 21% at 6.5 million pounds.
- c. MARCH 2023 GROUND TRANSPORTATION STATISTICS. No staff report attached. Staff will update the Commission on Ground Transportation activities for the month of March 2023.

- d. MARCH 2023 PARKING STATISTICS. No staff report attached. Staff will present parking revenue data for the month of March 2023.

– 2 –

**MINUTES OF THE REGULAR MEETING OF THE  
OPERATIONS AND DEVELOPMENT COMMITTEE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**MONDAY, APRIL 3, 2023**

A regular meeting of the Operations and Development Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:40 a.m., by Commissioner Devine.

**1. ROLL CALL**

**Present:** Commissioners Devine and Gabel-Luddy

**Absent:** Commissioner Hampton

**Also Present:** Staff: Frank Miller, Executive Director;  
John Hatanaka, Senior Deputy Executive Director;  
Kimberley Parker-Polito; Director, Information &  
Communication Technologies; Stephanie  
Gunawan-Piraner, Director, Engineering and  
Maintenance; Patrick Lammerding, Deputy  
Executive Director, Planning and Development;  
Edward B. Skvarna, Chief of Police; Director,  
Public Safety

**2. Approval of Agenda**

Agenda was approved as presented.

**3. Public Comment**

There were no public comments.

**4. Approval of Minutes**

**a. February 6, 2023**

A draft copy of the February 6, 2023 Committee minutes was included in the agenda packet for review and approval.

**Motion**

Commissioner Gabel-Luddy moved approval of the minutes; seconded by Commissioner Devine.

**Motion Approved**

The minutes were approved as presented (2-0, 1 absent).

**5. Items for Approval**

**a. Core Network Switches  
Replacement and Installation  
Services for Primary & DVSS  
Networks**

Staff sought a Committee recommendation to the Commission for approval to purchase and install two model C9500 Cisco Catalyst Network Switches and two model C9300 Cisco Catalyst Network Switches, which will replace four current Cisco Catalyst 4500 Series switches that have reached their end of life and are no longer supported by the manufacturer.

The proposed cost for the acquisition and installation of these network switches is \$136,145.85 plus an additional 10% contingency amount of \$15,000 for a total of \$151,145.85.

Subject to the recommendation of the Committee, this item was also placed on the Commission's agenda for consideration immediately following the Committee's meeting.

**Motion**

Commissioner Gabel-Luddy moved approval; seconded by Commissioner Devine.

**Motion Approved**

There being no objection, the motion was approved (2-0, 1 absent).

**b. Award of Construction Contract for Parking Lot Reconfiguration, Civil Work and Approval of Associated Vendor Work and CEQA Exemption Determination Project Number (E22-13)**

Staff sought a Committee recommendation to the Commission that it:

- i) Award a construction contract in the amount of \$226,190 to Geronimo Concrete, Inc.;
- ii) Approve a project budget for Parking and Revenue Control Equipment, DVSS Cameras, Access Control Equipment, and Networking Cable Installation in the amount of \$173,627;
- iii) Authorize a project budget for Construction Management, Field Oversight, and Contract Administration for a not-to-exceed amount of \$35,000;
- iv) Authorize a project contingency of \$60,000; and,
- v) Approve the CEQA exemption determination.

Subject to the recommendation of the Committee, this item was also placed on the Commission's agenda for consideration immediately following the Committee's meeting.

**Motion**

Commissioner Gabel-Luddy moved approval; seconded by Commissioner Devine.

**Motion Approved**

There being no objection, the motion was approved (2-0, 1 absent).

**c. Award of Purchase Order Portable Radio Replacement Motorola Solutions, Inc.**

Staff sought a Committee recommendation to the Commission to approve the acquisition of replacement portable radio equipment from Motorola Solutions, Inc. The proposed acquisition is for the replacement of handheld Motorola portable radios, which currently are used by the

Airport Maintenance Department and have reached the end of their useful life, with thirty-eight Motorola APX 900 series radios. The total cost for the replacement radios programming, and ancillary accessories is \$136,961.16.

Subject to the recommendation of the Committee, this item was also placed on the Commission's agenda for consideration immediately following the Committee's meeting.

**Motion**

Commissioner Gabel-Luddy moved approval; seconded by Commissioner Devine.

**Motion Approved**

There being no objection, the motion was approved (2-0, 1 absent).

**6. Items for Information**

**a. Committee Pending Items**

Staff updated the Committee on future pending items.

**7. Adjournment**

There being no further business to discuss, the meeting was adjourned at 8:58 a.m.



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

**MONDAY, APRIL 17, 2023**

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 10:55 a.m., by Commissioner Ovrom.

**1. ROLL CALL**

**Present:** Commissioners Ovrom, Quintero, Wilson

**Absent:** None

**Also Present:** Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; David Kwon, Director, Financial Services

**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.

**4. Public Comment**

There were no public comments.

**5. Approval of Minutes**

**a. April 3, 2023**

A draft copy of the minutes of the meeting of April 3, 2023, were included in the agenda packet for review and approval.

**Motion**

Commissioner Quintero moved approval of the minutes; seconded by Commissioner Wilson.

**Motion Approved**

The minutes were approved as presented (3–0).

**6. Treasurer's Report**

**a. January 2023**

A copy of the January 2023 Treasurer's Report was included in the agenda packet for the Committee's review.

**Motion**

Commissioner Wilson moved approval to recommend that the Commission note and file the January 2023 Treasurer's Report; seconded by



Commissioner Quintero.

**Motion Approved**

The motion was approved (3–0) to note and file the report.

**7. Items for Discussion**

**a. FY 2024 Budget Development  
Proposed FY 2024 Budget  
Assumption Review**

Staff continued to present and reviewed with the Committee the proposed FY 2024 Budget Assumptions, focusing on projected passenger activity levels.

**8. Items for Information**

**a. Committee Pending Items**

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

**9. Adjournment**

There being no further business to discuss, the meeting was adjourned at 11:45 a.m.

**MINUTES OF THE REGULAR MEETING OF THE  
LEGAL, GOVERNMENT AND ENVIRONMENTAL AFFAIRS COMMITTEE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**MONDAY, APRIL 17, 2023**

A regular meeting of the Legal, Government and Environmental Affairs Committee was called to order on this date in the Burbank Room, 2627 N. Hollywood Way, Burbank, California, at 10:50 a.m., by Commissioner Williams.

**1. ROLL CALL**

**Present:**

Commissioners Williams and Dyson

**Absent:**

Commissioner Najarian

**Also Present:**

Staff: Frank Miller, Executive Director;  
Patrick Lammerding, Deputy Executive Director,  
Planning and Development

Authority Counsel: Terence R. Boga of Richards,  
Watson & Gershon

Geoff Wheeler, Ricondo & Associates;  
Louis Choi, Public Resources Advisory Group

**2. Staff Announcement: AB 23**

The Assistant Board Secretary announced that, as a result of the convening of this meeting of the Legal, Government and Environmental Affairs Committee, each Committee member in attendance is entitled to receive and shall be provided \$200.

**3. Approval of Agenda**

Commissioner Dyson moved approval of the agenda, seconded by Commissioner Williams. The motion was approved (2-0, 1 absent).

**4. Public Comment**

There were no public comments.

**5. Approval of Minutes**

**a. April 3, 2023**

Commissioner Dyson moved approval of the Committee minutes of the April 3, 2023 meeting, seconded by Commissioner Williams. There being no objection, the motion was approved (2-0, 1 absent).

**6. Items for Approval**

**a. Organizational Governance Structure Study**

Staff sought direction from the Committee regarding the undertaking of an organizational governance structure study.

**Motion**

Commissioner Dyson moved to table this item to the Committee's next meeting when Commissioner Najarian is present. The motion was seconded by Commissioner Williams.

**Motion Approved**

There being no objection, the motion was approved (2-0, 1 absent)

**b. Preliminary Discussion of Request for Citizen's Advisory Committee Agenda Item**

Staff sought direction from the Committee on Commissioner Najarian's request for an agenda item to modify the Citizen's Advisory Committee parameters set by Resolution No. 488.

**Motion**

Commissioner Dyson moved to table this item to the Committee's next meeting when Commissioner Najarian is present. The motion was seconded by Commissioner Williams.

**Motion Approved**

There being no objection, the motion was approved (2-0, 1 absent)

**7. Items for Information**

**a. Committee Pending Items**

Staff presented pending items to the Committee members.

**8. Adjournment**

There being no further business, the meeting was adjourned at 10:54 a.m.

**MINUTES OF THE REGULAR MEETING OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**MONDAY, MAY 1, 2023**

A regular meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:04 a.m., by Vice President Williams.

**1. ROLL CALL**

**Present:** Commissioners Williams, Najarian, Hampton, Quintero, Ovrom, Devine, Dyson and Wilson

**Absent:** Commissioner Gabel-Luddy

**Also Present:** Staff: Frank Miller, Executive Director;  
John Hatanaka, Senior Deputy Executive Director;  
Nerissa Sugars, Director, Communications and Air Service;  
David Kwon, Director, Financial Services;  
Edward B. Skvarna, Director of Public Safety/Chief of Police;  
Tom Lenahan, Airport Fire Chief

Also Present:  
Terence Boga, Richards Watson Gershon  
Tom Ryan, McDermott Will & Emery

**2. PLEDGE OF ALLEGIANCE**

Commissioner Devine led the Pledge of Allegiance.

**3. APPROVAL OF AGENDA**

The agenda was approved as presented.

**MOTION**

Commissioner Wilson moved approval of agenda;  
seconded by Commissioner Ovrom.

**MOTION APPROVED**

There being no objection, the motion was approved (8-0, 1 absent).

AYES: Commissioners Williams, Najarian, Hampton  
Devine, Ovrom, Dyson, Quintero, and Wilson

NOES: NONE

ABSENT: Commissioner Gabel-Luddy

4. **PUBLIC COMMENT** (*Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.*)

There were no public comments.

5. **CONSENT CALENDAR**

(Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)

a. **Committee Minutes (For Note and File)**

1) **Finance and Administration Committee**

(i) **April 3, 2023**

Approved minutes of the April 3, 2023, Finance and Administration Committee meeting were included in the agenda packet for information purposes.

2) **Legal, Government and Environmental Affairs Committee**

(i) **April 3, 2023**

Approved minutes of the April 3, 2023, Legal, Government and Environmental Affairs Committee special meeting were included in the agenda packet for information purposes.

b. **Commission Minutes (For Approval)**

1) **April 17, 2023**

A copy of the draft minutes of the April 17, 2023, Commission meeting were included in the agenda packet for review and approval.

c. **Treasurer's Report**

1) **January 2023**

At its meeting on April 17, 2023, the Finance and Administration Committee reviewed the January 2023 Treasurer's Report and voted unanimously (3–0) to accept the report and recommend to the Commission for note and file.

**MOTION**

Commissioner Ovrom moved approval of the Consent Calendar; seconded by Commissioner Williams.

**MOTION APPROVED**

There being no objection, the motion to approve the Consent Calendar was approved (8–0, 1 absent).

AYES: Commissioners Williams, Najarian, Hampton Devine, Ovrom, Dyson, Quintero and Wilson

NOES: NONE

ABSENT: Commissioner Gabel-Luddy

## 6. ITEMS FOR COMMISSION INFORMATION

- |  |  |
|--|--|
| <b>a. Airport Police Department Police Officer of the Year</b> | Police Chief Skvarna introduced Officer Sean McLaughlin as this year's recipient of the Airport Officer of the Year award in recognition of his significant efforts to serve and protect guests at the Airport.  |
| <b>b. Airport Fire Department Firefighter of the Year</b>      | Fire Chief Lenahan introduced Captain Giacomo Nicolosi as this year's recipient of the Airport Fire Department Firefighter of the Year in recognition of his outstanding work ethic, positive attitude and being an inspiration to others in the Department. |
| <b>c. February 2023 Passenger and Air Cargo Statistics</b>     | Staff presented an update on the February 2023 Passenger and Air Cargo Statistics.   |
| <b>d. February 2023 Ground Transportation Statistics</b>       | Staff presented an update on the February 2023 Ground Transportation Statistics.   |
| <b>e. February 2023 Parking Revenue Statistics</b>             | Staff presented an update on the February 2023 Parking Revenue Statistics.   |

## 7. CLOSED SESSION

The meeting convened to Closed Session at 9:25 a.m.

### a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (California Government Code Section 54956.9(d)(1))

**Name of Case: City of Los Angeles v. FAA et al. (Case No. 21-71170)(9th Cir. 2021)**

#### **Meeting Reconvened to Open Session**

The meeting was reconvened to open session at 9:40 a.m. with eight (8) Commissioners present.

#### **Closed Session Report**

There was nothing to report from Closed Session.

## 8. ITEMS PULLED FROM CONSENT CALENDAR

No items were pulled from the Consent Calendar.

## 9. EXECUTIVE DIRECTOR COMMENTS

The Executive Director informed the Commission that Holder Pankow, the Design Builder for the Replacement Passenger Terminal ("RPT") Project, will be conducting an informational session for firms interested in pursuing contracting opportunities associated with the construction on the RPT Project. It will take place on May 17, 2023, from 10:00 a.m. to 12:00 noon at the Los Angeles Marriott Burbank Airport Hotel.

The Executive Director also notified the Commission that the Burbank City Council held a TEFRA (Tax Equity and Fiscal Responsibility Act) hearing for the Replacement Passenger Terminal Project on April 25, 2023. The City Council voted unanimously (5-0) approving the issuance of obligations by the Authority

Additionally, information was given on the First Quarter Noise Complaints (January 2023 through March 2023.)

**10. COMMISSIONER COMMENTS**

**(Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for a future meeting.)**

Commissioner Ovrom stated that due to the nature of the current information given by the Executive Director during his comments, he thought such information in the future should be agendaized for discussion by the Commission.

Commissioner Hampton requested to receive the statistical information regarding the First Quarter Noise Complaints.

**11. PUBLIC COMMENT**

There were no public comments.

**12. ADJOURNMENT**

The meeting was adjourned at 9:59 a.m.

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Emily Gabel-Luddy, President

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Ara Najarian, Secretary

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Date

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Date



May 15, 2023

Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505

Dear Commissioners:

The attached report, covering the month of February 2023, fulfills the legal requirements of the California Code and our Investment Policy. Based on projected income and expenses, as well as investment liquidity, there will be sufficient funds available to meet the needs of the Airport Authority for the six-month period following the date of the attached report.

Sincerely,

[To be signed]

Tyron Hampton  
Treasurer

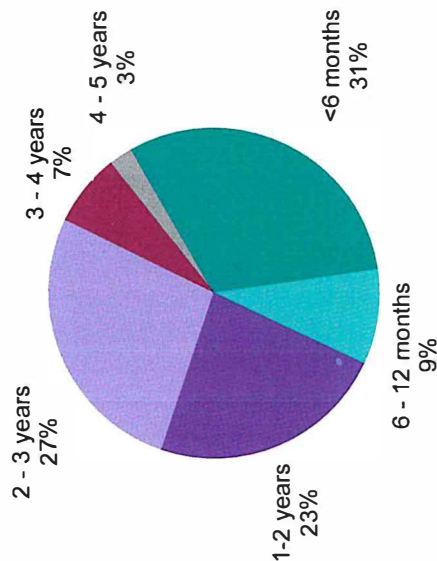
Attachments



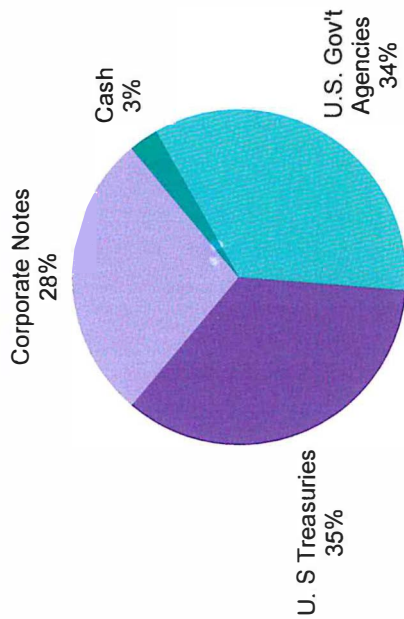
# Operating Portfolio Investment Guidelines Conformance as of February 28, 2023

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	3.79 Years	70%	34%
Corporate Notes	5 Years	4.63 Years	30%	28%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	3%
U.S. Gov Securities (Treasuries)	5 Years	4.09 Years	No Limit	35%

## Maturity Distribution



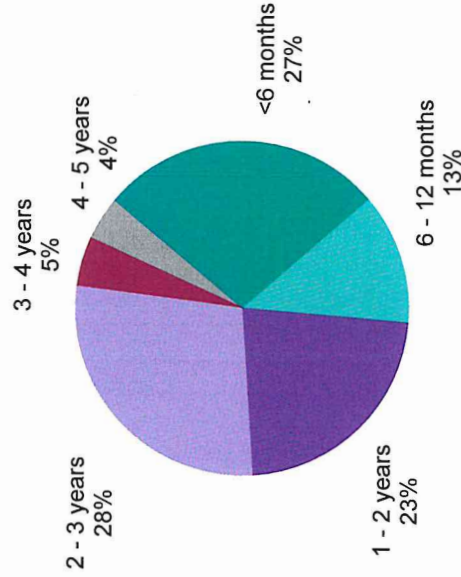
## Sector Allocation



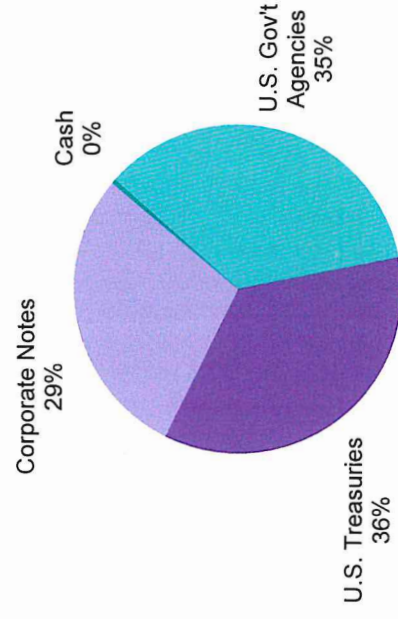
# PFC Portfolio Investment Guidelines Conformance as of February 28, 2023

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	3.79 Years	70%	35%
Corporate Notes	5 Years	4.63 Years	30%	29%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	>1%
U.S. Gov Securities (Treasuries)	5 Years	4.09 Years	No Limit	35%

## Maturity Distribution



## Sector Allocation



**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Investments**  
**As of 02/28/23**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
02/28/23	Columbia Treasury Reserves	097101307	0.000	02/28/23	02/28/23	\$ 6,586,536	\$ 6,586,536	\$ 6,586,536	\$ -	4.84%	0	2.59%
10/02/19	Pepsico Inc	713448CG1	2.750	03/01/23	03/01/23	1,300,000	1,344,486	1,300,000	(44,486)	2.71%	1	0.51%
05/02/22	Treasury Note	912828ZD5	0.500	03/15/23	03/15/23	5,500,000	5,429,434	5,490,760	61,326	4.55%	15	2.16%
09/30/22	Treasury Note	912828ZH6	0.250	04/15/23	04/15/23	5,500,000	5,394,297	5,469,090	74,793	4.72%	46	2.15%
12/23/22	Morgan Stanley	61747YEX9	6.140	10/16/26	04/18/23	1,000,000	1,025,031	1,016,900	(8,131)	5.69%	49	0.40%
12/03/19	Treasury Note	9128284L1	2.750	04/30/23	04/30/23	6,850,000	7,104,981	6,826,162	(278,819)	4.79%	61	2.69%
02/16/22	Chevron Corp	166764BU3	2.300	05/11/23	05/11/23	1,700,000	1,715,045	1,702,380	(12,665)	5.05%	72	0.67%
02/24/22	3M	88579YBE0	1.710	02/14/24	05/14/23	1,625,000	1,628,055	1,622,823	(5,232)	5.52%	75	0.64%
11/03/20	Loews Corporation	540424AQ1	2.625	05/15/23	05/15/23	1,800,000	1,874,460	1,787,832	(86,628)	5.78%	76	0.70%
06/06/19	Public Service Electric And Gas	7445GQBC9	2.375	05/15/23	05/15/23	1,225,000	1,224,550	1,217,197	(7,353)	5.35%	76	0.48%
05/02/22	Treasury Note	912828ZP8	0.130	05/15/23	05/15/23	5,500,000	5,384,317	5,446,485	62,168	4.80%	76	2.14%
03/03/22	Truist Financial Corp	89788MAF9	2.285	06/09/25	05/31/23	2,100,000	2,089,173	2,081,520	(7,653)	5.53%	92	0.82%
02/04/19	Simon Property Group LP	828807DD6	2.750	06/01/23	06/01/23	1,250,000	1,234,086	1,242,813	8,727	4.97%	93	0.49%
08/10/22	Treasury Note	912828ZU7	0.250	06/15/23	06/15/23	5,500,000	5,364,258	5,425,475	61,217	4.92%	107	2.13%
05/05/20	Federal Home Loan Mortgage Corp	3137EAE5	2.750	06/19/23	06/19/23	6,250,000	6,718,056	6,205,813	(512,243)	5.05%	111	2.44%
03/14/22	FNMA	3135G05G4	0.250	07/10/23	07/10/23	4,000,000	3,929,320	3,931,800	2,480	4.98%	132	1.55%
01/11/23	Bank of America Corp	06051GLA5	4.830	07/22/26	07/22/23	1,000,000	990,650	984,060	(6,590)	5.77%	144	0.39%
01/31/22	Treasury Note	91282CCN9	0.130	07/31/23	07/31/23	4,500,000	4,432,793	4,409,100	(23,693)	5.00%	153	1.73%
01/25/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	08/04/23	1,250,000	1,111,613	1,097,850	(13,763)	5.51%	157	0.43%
01/21/20	FNMA	3135G0U43	2.875	09/12/23	09/12/23	5,050,000	5,296,103	4,988,491	(307,612)	5.19%	196	1.96%
07/31/19	Treasury Note	9128285D8	2.875	09/30/23	09/30/23	6,775,000	7,065,870	6,689,229	(376,641)	5.09%	214	2.63%
03/16/20	Treasury Note	9128285P1	2.875	11/30/23	11/30/23	3,200,000	3,479,090	3,147,360	(331,730)	5.12%	275	1.24%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	2,250,000	2,321,258	2,216,588	(104,670)	5.35%	329	0.87%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	1,750,000	1,882,594	1,719,900	(162,694)	5.50%	349	0.68%
12/10/21	Treasury Note	91282CBM2	0.130	02/15/24	02/15/24	1,725,000	1,702,562	1,644,080	(58,482)	5.18%	352	0.65%
04/10/21	Metlife Inc	59156RBH0	3.600	04/10/24	04/10/24	1,750,000	1,897,945	1,716,085	(181,860)	5.41%	407	0.68%
06/22/20	Comcast Corporation	2003NCR0	3.700	04/15/24	04/15/24	1,800,000	1,972,081	1,768,050	(204,031)	5.33%	412	0.70%
03/16/21	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	2,000,000	2,144,538	1,956,440	(188,098)	5.27%	442	0.77%
01/18/22	Target Corporation	87612EBD7	3.500	07/01/24	07/01/24	1,750,000	1,831,278	1,710,800	(120,478)	5.25%	489	0.67%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	1,900,000	2,025,714	1,841,746	(183,968)	5.18%	514	0.72%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	1,600,000	1,646,699	1,536,032	(110,667)	5.17%	534	0.60%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	13,000,000	13,567,227	12,402,780	(1,164,447)	5.10%	550	4.88%
05/20/21	United Parcel Service INC	911312BT2	2.200	09/01/24	09/01/24	1,571,000	1,637,949	1,503,274	(134,675)	5.21%	551	0.59%
02/12/21	PNC Bank NA	69353REF1	3.300	10/30/24	10/30/24	2,000,000	2,150,631	1,937,860	(212,771)	5.26%	610	0.76%
01/27/22	FHLB	3130A3GE8	2.750	12/13/24	12/13/24	2,200,000	2,281,046	2,111,934	(169,112)	5.11%	654	0.83%



**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Investments**  
**As of 02/28/23**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
01/27/22	Treasury Note	91282CDN8	1.000	12/15/24	12/15/24	2,000,000	1,977,266	1,866,800	(110,466)	4.92%	656	0.73%
06/25/20	Wisconsin Electric Power Company	976656CL0	2.050	12/15/24	12/15/24	1,450,000	1,518,887	1,370,801	(148,086)	5.27%	656	0.54%
01/06/22	FFCB	3133ENKS8	1.130	01/06/25	01/06/25	1,540,000	1,536,535	1,436,373	(100,162)	4.97%	678	0.57%
12/10/21	Federal National Mortgage Association	3135G0X24	1.630	01/07/25	01/07/25	1,500,000	1,527,600	1,413,960	(113,640)	4.89%	679	0.56%
05/11/22	Apple Inc	037833DF4	2.750	01/13/25	01/13/25	1,700,000	1,691,920	1,634,363	(57,557)	4.93%	685	0.64%
03/29/21	US Bank NA/Cincinnati OH	90331HPL1	2.050	01/21/25	01/21/25	2,000,000	2,069,895	1,888,740	(181,155)	5.16%	693	0.74%
09/15/22	Merck & Co Inc	5933YAR6	2.750	02/10/25	02/10/25	1,825,000	1,770,464	1,750,650	(19,814)	4.97%	713	0.69%
10/01/20	FHLMC Reference Note	3137EAEPO	1.500	02/12/25	02/12/25	7,000,000	7,082,816	6,563,970	(518,846)	4.88%	715	2.58%
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	02/25/25	1,750,000	1,753,833	1,644,020	(109,813)	4.98%	728	0.65%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	1,825,000	1,939,204	1,742,857	(196,347)	5.08%	737	0.69%
08/05/20	FHLB	3130A4CH3	2.380	03/14/25	03/14/25	250,000	273,060	237,338	(35,722)	5.01%	745	0.09%
08/05/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	1,875,000	2,048,908	1,800,806	(248,102)	5.21%	746	0.71%
05/12/20	Intel Corp	458140BP4	3.400	03/25/25	03/25/25	1,000,000	1,106,180	967,420	(138,760)	5.07%	756	0.38%
09/30/21	Treasury Note	912828ZF5	0.050	03/31/25	03/31/25	2,300,000	2,287,242	2,107,743	(179,499)	4.76%	762	0.83%
05/05/20	Florida Power & Light Company	341081FZ5	2.850	04/01/25	04/01/25	1,000,000	1,086,930	955,930	(131,000)	5.10%	763	0.38%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	250,000	274,895	240,835	(34,060)	5.12%	763	0.09%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	7,000,000	7,032,434	6,407,030	(625,404)	4.73%	776	2.52%
05/04/22	Home Depot Inc	437076CM2	2.700	04/15/25	04/15/25	1,800,000	1,770,312	1,716,660	(53,652)	5.02%	777	0.68%
12/01/21	FNMA	3135G03U5	0.630	04/22/25	04/22/25	9,500,000	9,317,379	8,700,290	(617,089)	4.79%	784	3.42%
06/06/22	Caterpillar Financial Services	14913R2V8	3.400	05/13/25	05/13/25	1,800,000	1,801,335	1,737,810	(63,525)	5.07%	805	0.68%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	1,400,000	1,514,257	1,355,046	(159,211)	5.05%	807	0.53%
02/10/22	Qualcomm Incorporated	747525AF0	3.450	05/20/25	05/20/25	1,700,000	1,751,887	1,641,622	(110,265)	5.10%	812	0.65%
12/15/21	Pfizer Inc	717081EZ7	0.800	05/28/25	05/28/25	2,000,000	1,956,882	1,833,020	(123,862)	4.76%	820	0.72%
06/15/22	Cisco Systems Inc	17275RAW2	3.500	06/15/25	06/15/25	1,400,000	1,388,338	1,357,076	(31,262)	4.93%	838	0.53%
08/05/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	9,000,000	8,958,043	8,135,190	(822,853)	4.64%	853	3.20%
09/30/22	Treasury Note	91282CEY3	3.000	07/15/25	07/15/25	3,500,000	3,389,531	3,369,555	(19,976)	4.67%	868	1.33%
11/19/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	625,000	690,233	604,594	(85,639)	5.15%	882	0.24%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	2,000,000	2,225,136	1,929,000	(296,136)	5.10%	902	0.76%
09/25/20	FNMA Benchmark Note	3135G05X7	0.375	08/25/25	08/25/25	3,500,000	3,493,350	3,148,040	(345,310)	4.70%	909	1.24%
06/14/22	Burlington Northern Santa Fe LLC	12189LAY7	3.650	09/01/25	09/01/25	1,375,000	1,360,702	1,325,459	(35,243)	5.20%	916	0.52%
09/08/22	John Deere Capital Corp	24422EWJ4	4.050	09/08/25	09/08/25	1,800,000	1,800,980	1,766,034	(34,946)	4.85%	923	0.69%
09/29/22	FFCB	3133ENP95	4.250	09/30/25	09/30/25	7,000,000	6,978,380	6,918,450	(59,930)	4.73%	945	2.72%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	12,000,000	11,848,980	10,770,360	(1,078,620)	4.59%	983	4.24%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	1,784,000	1,840,277	1,723,772	(116,505)	4.82%	1052	0.68%
01/19/23	FHLB	3130AKQX7	0.700	01/28/26	01/28/26	1,750,000	1,582,610	1,550,290	(32,320)	4.95%	1065	0.61%

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Investments**  
**As of 02/28/23**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
12/23/22	Treasury Note	91282CBQ3	0.500	02/28/26	02/28/26	1,500,000	1,340,605	1,333,710	(6,895)	4.49%	1096	0.52%
01/19/23	FHLB	3130ALLH0	0.960	03/05/26	03/05/26	3,900,000	3,541,043	3,479,541	(61,502)	4.84%	1101	1.37%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	1,875,000	1,899,596	1,690,969	(208,627)	5.03%	1106	0.67%
02/17/23	FHLB	3130AUU36	4.130	03/13/26	03/13/26	7,250,000	7,189,317	7,154,808	(34,509)	4.59%	1109	2.81%
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	1,625,000	1,672,300	1,502,914	(169,386)	5.20%	1158	0.59%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	1,000,000	1,051,760	913,130	(138,630)	4.56%	1291	0.36%
02/09/23	Treasury Note	912828U24	2.000	11/15/26	11/15/26	4,000,000	3,710,937	3,678,439	(32,498)	4.37%	1356	1.45%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	3,800,000	3,910,845	3,484,637	(426,208)	4.53%	1382	1.37%
01/31/23	Treasury Note	912828ZE3	0.630	03/31/27	03/31/27	5,500,000	4,850,956	4,752,769	(98,187)	4.29%	1492	1.87%
02/15/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	10/15/27	1,000,000	925,899	918,259	(7,640)	4.95%	1690	0.36%
		<b>Subtotal</b>				<b>\$246,406,536</b>	<b>\$248,223,665</b>	<b>\$235,256,325</b>	<b>\$ (12,967,340)</b>	<b>4.90%</b>	<b>592</b>	<b>92.54%</b>
	Local Agency Investment Fund (LAIF)					19,319,338	19,319,338	18,959,791	(359,547)	2.62%	281	7.46%
		<b>Subtotal</b>				<b>\$265,725,874</b>	<b>\$267,543,003</b>	<b>\$254,216,116</b>	<b>\$ (13,326,887)</b>	<b>4.73%</b>	<b>569</b>	<b>100.00%</b>
	Operating Bank Balance						14,442,882					
		<b>TOTAL</b>					<b>\$281,985,885</b>					

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Purchases - Maturities - Sales**  
**As of 02/28/23**

**PURCHASES**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
02/09/23	Treasury Note	912828U24	2.000	11/15/26	2,000,000.00	93.12500	\$ 1,862,500.00	\$ (9,613.26)
02/15/23	Treasury Note	91282CBQ3	0.500	02/28/26	500,000.00	89.19922	445,996.09	(1,167.13)
02/15/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	1,000,000.00	92.59000	925,900.00	(9,997.22)
02/17/23	FHLB	3130AUU36	4.130	03/13/26	7,250,000.00	99.16300	7,189,317.50	(10,799.48)
02/17/23	Treasury Note	912828U24	2.000	11/15/26	2,000,000.00	92.42188	1,848,437.50	(10,828.73)
<b>TOTAL PURCHASES</b>					<b>\$ 12,750,000.00</b>	<b>\$ 12,272,151.09</b>	<b>\$ (42,405.82)</b>	

**MATURITIES**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
08/10/22	Treasury Note	912828Z86	1.380	02/15/23	\$ 5,500,000.00	99.18537	\$ 5,455,195.50	\$ 44,804.50
03/18/19	Unitedhealth Group Inc	91324PBZ4	2.750	02/15/23	1,500,000.00	100.58257	1,508,738.50	(8,738.50)
04/05/22	Federal Home Loan Banks	3130AJ7E3	1.380	02/17/23	8,900,000.00	99.67270	8,870,870.00	29,130.00
<b>TOTAL MATURITIES</b>					<b>\$ 15,900,000.00</b>	<b>\$ 15,834,804.00</b>	<b>\$ 65,196.00</b>	

**SALES / REDEMPTIONS**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Purchase Cost	Gain / (Loss)
							\$		\$
							-	-	-
							-	-	-
							-	-	-
							-	-	-
<b>TOTAL SALES</b>						<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Earnings Report**  
**02/01/23-02/28/23**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
<b>FIXED INCOME</b>									
Treasury Note	1.380	02/15/23	34,935.46	37,812.50	-	-	2,877.04	-	2,877.04
Unitedhealth Group Inc	2.750	02/15/23	19,020.83	20,625.00	-	-	1,604.17	-	1,604.17
Federal Home Loan Banks	1.380	02/17/23	55,748.61	61,187.50	-	-	5,438.89	-	5,438.89
Pepsico Inc	2.750	03/01/23	14,895.83	17,875.00	-	-	2,979.17	(1,087.68)	1,891.49
Treasury Note	0.500	03/15/23	10,559.39	-	-	12,686.46	2,127.07	6,851.66	8,978.73
Treasury Note	0.250	04/15/23	4,117.45	-	-	5,175.14	1,057.69	15,256.12	16,313.81
Treasury Note	2.750	04/30/23	48,394.68	-	-	62,965.12	14,570.44	(5,845.49)	8,724.95
Chevron Corp	2.300	05/11/23	20,703.50	23,848.34	-	4,361.50	7,506.34	(942.42)	6,563.92
Loews Corporation	2.625	05/15/23	9,975.00	-	-	13,912.50	3,937.50	(2,389.53)	1,547.97
Public Service Electric And Gas	2.375	05/15/23	6,142.01	-	-	8,566.49	2,424.48	162.12	2,586.60
Treasury Note	0.130	05/15/23	1,481.35	-	-	2,013.12	531.77	9,179.47	9,711.24
Simon Property Group LP	2.750	06/01/23	5,729.17	-	-	8,593.75	2,864.58	286.83	3,151.41
Treasury Note	0.250	06/15/23	1,813.19	-	-	2,870.88	1,057.69	13,058.39	14,116.08
Federal Home Loan Mortgage Corp	2.750	06/19/23	20,052.08	-	-	34,375.00	14,322.92	(12,503.73)	1,819.19
FNMA	0.250	07/10/23	583.33	-	-	1,416.67	833.34	4,464.00	5,297.34
Treasury Note	0.130	07/31/23	15.54	-	-	450.62	435.08	3,567.41	4,002.49
FNMA	2.875	09/12/23	56,058.51	-	-	68,157.47	12,098.96	(5,735.95)	6,363.01
Treasury Note	2.875	09/30/23	66,354.05	-	-	81,337.23	14,983.18	(5,611.11)	9,372.07
Treasury Note	2.875	11/30/23	15,923.08	-	-	23,000.00	7,076.92	(5,877.15)	1,199.77
Citibank NA	3.650	01/23/24	1,825.00	-	-	8,668.75	6,843.75	(1,508.54)	5,335.21
IBM Corp	3.625	02/12/24	29,780.38	31,718.75	-	3,348.09	5,286.46	(3,947.44)	1,339.02
3M	1.710	02/14/24	17,650.53	20,555.05	-	3,500.13	6,404.65	(133.45)	6,271.20
Treasury Note	0.130	02/15/24	996.09	1,078.13	-	83.39	165.43	791.28	956.71
MetLife Inc	3.600	04/10/24	19,425.00	-	-	24,675.00	5,250.00	(4,306.21)	943.79
Comcast Corporation	3.700	04/15/24	19,610.00	-	-	25,160.00	5,550.00	(3,917.51)	1,632.49
Bank of New York Mellon Corp	3.400	05/15/24	14,355.56	-	-	20,022.22	5,666.66	(4,010.27)	1,656.39
Target Corporation	3.500	07/01/24	5,104.17	-	-	10,208.33	5,104.16	(2,754.44)	2,349.72
Bristol-Myers Squibb Co	2.900	07/26/24	765.28	-	-	5,356.94	4,591.66	(2,860.90)	1,730.76
Honeywell International Inc	2.300	08/15/24	16,968.89	18,400.00	-	1,635.56	3,066.67	(920.81)	2,145.86
Treasury Note	1.875	08/31/24	103,694.75	121,875.00	-	662.36	18,842.61	(13,727.18)	5,115.43
United Parcel Service INC	2.200	09/01/24	14,400.83	17,281.00	-	-	2,880.17	(1,779.13)	1,101.04
PNC Bank NA	3.300	10/30/24	16,683.33	-	-	22,183.33	5,500.00	(3,534.55)	1,965.45
FHLB	2.750	12/13/24	8,066.67	-	-	13,108.33	5,041.66	(2,349.15)	2,692.51
Treasury Note	1.000	12/15/24	2,637.36	-	-	4,175.82	1,538.46	605.10	2,143.56

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Earnings Report**  
**02/01/23-02/28/23**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Wisconsin Electric Power Company	NOTE	12/15/24	3,798.19	-	-	6,275.28	2,477.09	(1,336.93)	1,140.16
FFCB	NOTE	01/06/25	1,203.13	-	-	2,646.88	1,443.75	96.70	1,540.45
Federal National Mortgage Association	NOTE	01/07/25	1,625.00	-	-	3,656.25	2,031.25	(750.00)	1,281.25
Apple Inc	NOTE	01/13/25	2,337.50	-	-	6,233.33	3,895.83	252.50	4,148.33
US Bank NAV/Cincinnati OH	NOTE	01/21/25	1,138.89	-	-	4,555.56	3,416.67	(1,582.58)	1,834.09
Merck & Co Inc	NOTE	02/10/25	23,839.06	25,093.75	-	2,927.60	4,182.29	1,900.21	6,082.50
FHLMC Reference Note	NOTE	02/12/25	49,291.67	52,500.00	-	5,541.67	8,750.00	(2,042.08)	6,707.92
FFCB	NOTE	02/25/25	13,270.83	15,312.50	-	510.42	2,552.09	(107.65)	2,444.44
Exxon Mobil Corp	NOTE	03/06/25	19,913.03	-	-	24,032.97	4,119.94	(2,315.40)	1,804.54
FHLB	NOTE	03/14/25	2,259.55	-	-	2,754.34	494.79	(417.25)	77.54
Ace InA Holdings Inc	NOTE	03/15/25	22,312.50	-	-	27,234.38	4,921.88	(3,304.31)	1,617.57
Intel Corp	NOTE	03/25/25	11,900.00	-	-	14,733.33	2,833.33	(1,810.58)	1,022.75
Treasury Note	NOTE	03/31/25	3,917.58	-	-	4,802.20	884.62	279.73	1,164.35
Florida Power & Light Company	NOTE	04/01/25	9,500.00	-	-	11,875.00	2,375.00	(1,471.36)	903.64
General Dynamics Corporation	NOTE	04/01/25	2,708.33	-	-	3,385.42	677.09	(502.51)	174.58
Federal Home Loan Banks	NOTE	04/14/25	10,402.78	-	-	13,319.44	2,916.66	(603.36)	2,313.30
Home Depot Inc	NOTE	04/15/25	14,310.00	-	-	18,360.00	4,050.00	874.48	4,924.48
FNMA	NOTE	04/22/25	16,328.13	-	-	21,276.04	4,947.91	5,075.00	10,022.91
Caterpillar Financial Services	NOTE	05/13/25	13,260.00	-	-	18,360.00	5,100.00	(22.84)	5,077.16
General Dynamics Corporation	NOTE	05/15/25	10,344.44	-	-	14,427.78	4,083.34	(2,327.83)	1,755.51
Qualcomm Incorporated	NOTE	05/20/25	11,567.08	-	-	16,454.58	4,887.50	(1,297.51)	3,589.99
Pfizer Inc	NOTE	05/28/25	2,800.00	-	-	4,133.33	1,333.33	1,121.44	2,454.77
Truist Financial Corp	NOTE	06/09/25	14,622.75	-	-	22,724.89	8,102.14	10.17	8,112.31
Cisco Systems Inc	NOTE	06/15/25	6,261.11	-	-	10,344.44	4,083.33	338.12	4,421.45
Treasury Note	NOTE	06/30/25	1,988.95	-	-	3,729.28	1,740.33	700.58	2,440.91
Treasury Note	NOTE	07/15/25	4,930.94	-	-	13,052.49	8,121.55	3,044.41	11,165.96
Intel Corp	NOTE	07/29/25	128.47	-	-	2,055.56	1,927.09	(1,231.79)	695.30
State Street Corporation	NOTE	08/18/25	32,147.22	35,500.00	-	2,563.89	5,916.67	(3,993.26)	1,923.41
FNMA Benchmark Note	NOTE	08/25/25	5,687.50	6,562.50	-	218.75	1,093.75	112.90	1,206.65
Burlington Northern Santa Fe LLC	NOTE	09/01/25	20,911.46	25,093.75	-	-	4,182.29	379.08	4,561.37
John Deere Capital Corp	NOTE	09/08/25	28,957.50	-	-	35,032.50	6,075.00	(26.71)	6,048.29
FFCB	NOTE	09/30/25	99,993.06	-	-	124,784.72	24,791.66	606.26	25,397.92
FNMA Benchmark Note	NOTE	11/07/25	14,000.00	-	-	19,000.00	5,000.00	3,189.17	8,189.17
Lockheed Martin Corporation	NOTE	01/15/26	2,814.76	-	-	8,092.42	5,277.66	(979.50)	4,298.16
FHLB	NOTE	01/28/26	102.08	-	-	1,122.92	1,020.84	4,615.53	5,636.37



**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Earnings Report**  
**02/01/23-02/28/23**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Treasury Note	NOTE	02/28/26	2,127.07	3,750.00	1,167.13	20.38	476.18	3,179.73	3,655.91
FHLB	NOTE	03/05/26	15,184.00	-	-	18,304.00	3,120.00	9,572.19	12,692.19
Prudential Financial Inc	NOTE	03/10/26	11,015.63	-	-	13,359.38	2,343.75	(452.25)	1,891.50
FHLB	NOTE	03/13/26	-	-	10,799.48	19,106.77	8,307.29	550.66	8,857.95
Sierra Pacific Power	NOTE	05/01/26	10,562.50	-	-	14,083.33	3,520.83	(841.90)	2,678.93
Bank of America Corp	NOTE	07/22/26	1,206.75	-	-	5,229.25	4,022.50	221.04	4,243.54
FHLB	NOTE	09/11/26	7,291.67	-	-	8,854.17	1,562.50	(864.12)	698.38
Morgan Stanley	NOTE	10/16/26	17,561.50	-	-	22,676.50	5,115.00	(552.75)	4,562.25
Treasury Note	NOTE	04/30/23	-	-	20,441.99	23,425.41	2,983.42	2,790.96	5,774.38
FHLB	NOTE	12/11/26	11,215.28	-	-	17,944.44	6,729.16	(1,881.94)	4,847.22
JP Morgan Chase & CO	NOTE	02/04/27	6,391.67	6,500.00	-	975.00	1,083.33	2,869.13	3,952.46
Treasury Note	NOTE	03/31/27	11,710.16	-	-	14,354.40	2,644.24	11,963.93	14,608.17
Unitedhealth Group Inc	NOTE	10/15/27	-	-	9,997.22	11,144.44	1,147.22	618.24	1,765.46
<b>Subtotal</b>			<b>\$ 1,239,306.62</b>	<b>\$ 542,568.77</b>	<b>\$ 42,405.82</b>	<b>\$ 1,112,365.33</b>	<b>\$ 373,221.66</b>	<b>\$ (7,874.51)</b>	<b>\$ 365,347.15</b>
<b>CASH EQUIVALENTS</b>									
Blackrock Liquidity Funds			-	5,567.15	-	-	5,567.15	-	5,567.15
<b>Subtotal</b>			<b>\$ -</b>	<b>\$ 5,567.15</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,567.15</b>	<b>\$ -</b>	<b>\$ 5,567.15</b>
<b>LAIF</b>									
Local Agency Investment Fund			39,686.51	-	-	78,575.01	38,888.50	-	38,888.50
<b>TOTAL</b>			<b>\$ 1,278,993.13</b>	<b>\$ 548,135.92</b>	<b>\$ 42,405.82</b>	<b>\$ 1,190,940.34</b>	<b>\$ 417,677.31</b>	<b>\$ (7,874.51)</b>	<b>\$ 409,802.80</b>

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 02/28/23**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
02/28/23	Blackrock Liquidity Funds	09248U718	0.000	02/28/23	02/28/23	\$ 221,172	\$ 221,172	\$ 221,172	\$ -	4.84%	0	0.40%
10/02/19	Pepsico Inc.	713448CG1	2.750	03/01/23	03/01/23	375,000	387,177	375,000	(12,177)	2.71%	1	0.68%
05/02/22	Treasury Note	912828ZD5	0.500	03/15/23	03/15/23	800,000	789,906	798,656	8,750	4.55%	15	1.45%
12/23/22	Morgan Stanley	61747YEX9	6.140	10/16/26	04/18/23	275,000	281,877	279,648	(2,229)	5.69%	49	0.51%
11/19/19	Treasury Note	9128284L1	2.750	04/30/23	04/30/23	2,000,000	2,070,830	1,993,040	(77,790)	4.79%	61	3.61%
02/16/22	Chevron Corp	166764BU3	2.300	05/11/23	05/11/23	400,000	403,540	400,560	(2,980)	5.05%	72	0.73%
02/24/22	3M Co	88579YBE0	1.710	02/14/24	05/14/23	375,000	375,705	374,498	(1,207)	5.52%	75	0.68%
11/03/20	Loews Corporation	540424AQ1	2.625	05/15/23	05/15/23	425,000	441,638	422,127	(19,511)	5.78%	76	0.77%
06/06/19	Public Service Electric And Gas	74456QBC9	2.375	05/15/23	05/15/23	300,000	302,050	298,089	(3,961)	5.35%	76	0.54%
05/02/22	Treasury Note	912828ZP8	0.130	05/15/23	05/15/23	800,000	783,406	792,216	8,810	4.80%	76	1.44%
03/03/22	Truist Financial Corp	89788MAF9	2.280	06/09/25	05/31/23	500,000	497,792	495,600	(2,192)	5.53%	92	0.90%
02/04/19	Simon Property Group LP	828807DD6	2.750	06/01/23	06/01/23	300,000	298,333	298,275	(58)	4.97%	93	0.54%
02/19/20	FHLMC	3137EAEN5	2.750	06/19/23	06/19/23	1,875,000	1,984,696	1,861,744	(122,952)	5.05%	111	3.38%
03/14/22	FNMA	3135G05G4	0.250	07/10/23	07/10/23	1,200,000	1,178,796	1,179,540	744	4.98%	132	2.14%
01/11/23	Bank of America Corp	06051GLA5	4.830	07/22/26	07/22/23	350,000	346,728	344,421	(2,307)	5.77%	144	0.62%
01/31/22	Treasury Note	91282CCN9	0.130	07/31/23	07/31/23	2,000,000	1,971,406	1,959,600	(11,806)	5.00%	153	3.55%
01/25/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	08/04/23	600,000	533,574	526,968	(6,606)	5.51%	157	0.96%
01/21/20	FNMA	3135G0U43	2.875	09/12/23	09/12/23	1,400,000	1,464,189	1,382,948	(81,241)	5.19%	196	2.51%
07/31/19	Treasury Note	9128285D8	2.875	09/30/23	09/30/23	1,875,000	1,959,890	1,851,263	(108,627)	5.09%	214	3.36%
02/19/20	Treasury Note	9128285P1	2.875	11/30/23	11/30/23	800,000	856,141	786,840	(69,301)	5.12%	275	1.43%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	550,000	557,000	541,833	(15,167)	5.35%	329	0.98%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	410,000	441,862	402,948	(38,914)	5.50%	349	0.73%
04/30/21	Treasury Note	91282CBM2	0.125	02/15/24	02/15/24	1,750,000	1,737,221	1,667,908	(69,313)	5.18%	352	3.02%
04/26/21	Metlife Inc	59156RBH0	3.600	04/10/24	04/10/24	425,000	460,084	416,764	(43,320)	5.41%	407	0.76%
09/25/20	Comcast Corporation	20030NCR0	3.700	04/15/24	04/15/24	425,000	465,452	417,456	(47,996)	5.33%	412	0.76%
03/16/21	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	475,000	510,244	464,655	(45,589)	5.27%	442	0.84%
01/18/22	Target Corporation	87612EBD7	3.500	07/01/24	07/01/24	425,000	446,008	415,480	(30,528)	5.25%	489	0.75%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	450,000	480,768	436,203	(44,565)	5.18%	514	0.79%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	390,000	399,138	374,408	(24,730)	5.17%	534	0.68%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	1,600,000	1,669,813	1,526,496	(143,317)	5.10%	550	2.77%
05/20/21	United Parcel Service	911312BT2	2.200	09/01/24	09/01/24	374,000	391,124	357,877	(33,247)	5.21%	551	0.65%
02/12/20	PNC Funding Corp	69353REF1	3.300	10/30/24	10/30/24	325,000	345,449	314,902	(30,547)	5.26%	610	0.57%

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 02/28/23**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/24/20	Wisconsin Electric Power Company	976656CLO	2.050	12/15/24	12/15/24	350,000	368,382	330,883	(37,499)	5.27%	656	0.60%
01/06/22	FFCB	3133ENKS8	1.130	01/06/25	01/06/25	460,000	458,965	429,047	(29,918)	4.97%	678	0.78%
12/10/21	FNMA	3135G0X24	1.630	01/07/25	01/07/25	1,750,000	1,782,200	1,649,620	(132,580)	4.89%	679	2.99%
05/11/22	Apple Inc	037833DF4	2.750	01/13/25	01/13/25	425,000	422,980	408,591	(14,389)	4.93%	685	0.74%
02/17/22	US Bank NA/Cincinnati	90331HPL1	2.050	01/21/25	01/21/25	475,000	475,751	448,576	(27,175)	5.16%	693	0.81%
09/15/22	Merck & Co Inc	58933YAR6	2.750	02/10/25	02/10/25	434,000	421,031	416,319	(4,712)	4.97%	713	0.75%
01/06/22	FHLMC Reference Note	3137EAEPO	1.500	02/12/25	02/12/25	1,750,000	1,765,705	1,640,993	(124,712)	4.88%	715	2.98%
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	02/25/25	1,250,000	1,252,738	1,174,300	(78,438)	4.98%	728	2.13%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	400,000	426,156	381,996	(44,160)	5.08%	737	0.69%
11/03/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	435,000	474,791	417,787	(57,004)	5.21%	746	0.76%
09/30/21	Treasury Note	912828ZF0	0.050	03/31/25	03/31/25	1,600,000	1,591,125	1,466,256	(124,869)	4.76%	762	2.66%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	50,000	54,979	48,167	(6,812)	5.12%	763	0.09%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	1,450,000	1,453,984	1,327,171	(126,813)	4.73%	776	2.41%
05/04/22	Home Depot Inc	437076CM2	2.700	04/15/25	04/15/25	425,000	418,714	405,323	(13,391)	5.02%	777	0.73%
12/01/21	FNMA	3135G03U5	0.630	04/22/25	04/22/25	1,225,000	1,190,032	1,121,880	(68,152)	4.79%	784	2.03%
06/06/22	Caterpillar Financial Services	14913R2V8	3.400	05/13/25	05/13/25	425,000	426,632	410,316	(16,316)	5.07%	805	0.74%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	350,000	380,073	338,762	(41,311)	5.05%	807	0.61%
02/10/22	Qualcomm Incorporated	747525AF0	3.450	05/20/25	05/20/25	400,000	412,594	386,264	(26,330)	5.10%	812	0.70%
12/15/21	Pfizer Inc	717081EX7	0.800	05/28/25	05/28/25	475,000	466,704	435,342	(31,362)	4.76%	820	0.79%
06/15/22	Cisco Systems Inc	17275RAW2	3.500	06/15/25	06/15/25	400,000	397,604	387,736	(9,868)	4.93%	838	0.70%
09/01/22	Treasury Note	91282CEU1	2.875	06/15/25	06/15/25	1,600,000	1,571,813	1,537,632	(34,181)	4.69%	838	2.79%
11/17/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	1,750,000	1,710,434	1,581,843	(128,591)	4.64%	853	2.87%
09/30/22	Treasury Note	91282CEY3	3.000	07/15/25	07/15/25	1,200,000	1,162,125	1,155,276	(6,849)	4.67%	868	2.09%
09/25/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	400,000	447,035	386,940	(60,095)	5.15%	882	0.70%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	475,000	531,317	458,138	(73,179)	5.10%	902	0.83%
06/14/22	Burlington Northern Santa Fe LLC	12189LAY7	3.650	09/01/25	09/01/25	325,000	322,095	313,290	(8,805)	5.20%	916	0.57%
09/08/22	John Deere Capital Corp	24422EWJ4	4.050	09/08/25	09/08/25	425,000	425,519	416,980	(8,539)	4.85%	923	0.76%
10/11/22	FFCB	3133ENP5	4.250	09/30/25	09/30/25	1,000,000	995,940	988,350	(7,590)	4.73%	945	1.79%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	3,155,000	3,140,117	2,831,707	(308,410)	4.59%	983	5.13%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	415,000	432,814	400,990	(31,824)	4.82%	1052	0.73%
01/19/23	FHLB	3130AKQX7	0.700	01/28/26	01/28/26	1,050,000	949,566	930,174	(19,392)	4.95%	1065	1.69%
12/06/22	Treasury Note	91282CBQ3	0.500	02/28/26	02/28/26	550,000	491,905	489,027	(2,878)	4.49%	1096	0.89%

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 02/28/23**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
01/19/23	FHLB	3130ALHH0	0.960	03/05/26	03/05/26	900,000	817,163	802,970	(14,193)	4.84%	1101	1.46%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	450,000	455,337	405,832	(49,505)	5.03%	1106	0.74%
02/17/23	FHLB	3130AUU36	4.130	03/13/26	03/13/26	1,250,000	1,239,537	1,233,587	(5,950)	4.59%	1109	2.24%
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	375,000	389,283	346,825	(42,458)	5.20%	1158	0.63%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	300,000	315,527	273,938	(41,589)	4.56%	1291	0.50%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	700,000	720,418	641,906	(78,512)	4.53%	1382	1.16%
01/31/23	Treasury Note	912828ZE3	0.630	03/01/27	03/01/27	2,250,000	1,984,481	1,944,314	(40,167)	4.29%	1462	3.53%
02/15/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	10/15/27	450,000	416,654	413,216	(3,438)	4.95%	1690	0.75%
		<b>Subtotal</b>				<b>\$ 58,019,172</b>	<b>\$ 58,213,229</b>	<b>\$ 55,157,399</b>	<b>\$ (3,055,830)</b>	<b>0.04917</b>	<b>618.4496</b>	<b>100.00%</b>
	PFC Bank Balance						8,716,056					
		<b>TOTAL</b>					<b>\$ 66,929,285</b>					

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Purchases - Maturities - Sales**  
**As of 02/28/23**

[illegible]

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Earnings Report**  
**02/01/23-02/28/23**

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
<b>FIXED INCOME</b>										
Unitedhealth Group Inc	NOTE	2.750	02/15/23	4,945.42	5,362.50	-	-	417.08	-	417.08
Federal Home Loan Banks	NOTE	1.380	02/17/23	7,360.07	8,078.13	-	-	718.06	-	718.06
Pepsico Inc.	NOTE	2.750	03/01/23	4,296.87	5,156.25	-	-	859.38	(386.32)	473.06
Treasury Note	NOTE	0.500	03/15/23	1,535.91	-	-	1,845.30	309.39	894.38	1,203.77
Treasury Note	NOTE	2.750	04/30/23	14,129.83	-	-	18,383.98	4,254.15	(1,696.46)	2,557.69
Chevron Corp	NOTE	2.300	05/11/23	4,871.41	5,611.37	-	1,026.23	1,766.19	(221.75)	1,544.44
Loews Corporation	NOTE	2.625	05/15/23	2,355.21	-	-	3,284.90	929.69	(594.28)	335.41
Public Service Electric And Gas	NOTE	2.375	05/15/23	1,504.17	-	-	2,097.92	593.75	(60.22)	533.53
Treasury Note	NOTE	0.130	05/15/23	215.47	-	-	292.82	77.35	1,232.43	1,309.78
Simon Property Group LP	NOTE	2.750	06/01/23	1,375.00	-	-	2,062.50	687.50	24.74	712.24
FHLMC	NOTE	2.750	06/19/23	6,015.62	-	-	10,312.50	4,296.88	(2,796.51)	1,500.37
FNMA	NOTE	0.250	07/10/23	175.00	-	-	425.00	250.00	1,339.20	1,589.20
Treasury Note	NOTE	0.130	07/31/23	6.91	-	-	200.28	193.37	1,497.68	1,691.05
FNMA	NOTE	2.875	09/12/23	15,540.97	-	-	18,895.14	3,354.17	(1,469.98)	1,884.19
Treasury Note	NOTE	2.875	09/30/23	18,363.67	-	-	22,510.30	4,146.63	(1,642.52)	2,504.11
Treasury Note	NOTE	2.875	11/30/23	3,980.77	-	-	5,750.00	1,769.23	(1,153.42)	615.81
Citibank NA	NOTE	3.650	01/23/24	446.11	-	-	2,119.03	1,672.92	(104.45)	1,568.47
IBM Corp	NOTE	3.625	02/12/24	6,977.12	7,431.25	-	784.41	1,238.54	(980.71)	257.83
Treasury Note	NOTE	0.125	02/15/24	1,010.53	1,093.75	-	84.60	167.82	407.01	574.83
3M Co	NOTE	1.710	02/14/24	4,073.20	4,743.47	-	807.72	1,477.99	(30.80)	1,447.19
Metlife Inc	NOTE	3.600	04/10/24	4,717.50	-	-	5,992.50	1,275.00	(1,031.18)	243.82
Comcast Corporation	NOTE	3.700	04/15/24	4,630.14	-	-	5,940.56	1,310.42	(1,025.64)	284.78
Bank of New York Mellon Corp	NOTE	3.400	05/15/24	3,409.44	-	-	4,755.28	1,345.84	(988.67)	357.17
Target Corporation	NOTE	3.500	07/01/24	1,239.58	-	-	2,479.17	1,239.59	(719.16)	520.43
Bristol-Myers Squibb Co	NOTE	2.900	07/26/24	181.25	-	-	1,268.75	1,087.50	(734.97)	352.53
Honeywell International Inc	NOTE	2.300	08/15/24	4,136.17	4,485.00	-	398.67	747.50	(194.99)	552.51
Treasury Note	NOTE	1.875	08/31/24	12,762.43	15,000.00	-	81.52	2,319.09	(1,689.50)	629.59
United Parcel Service	NOTE	2.200	09/01/24	3,428.33	4,114.00	-	-	685.67	(478.18)	207.49
PNC Funding Corp	NOTE	3.300	10/30/24	2,711.04	-	-	3,604.79	893.75	(359.06)	534.69
Wisconsin Electric Power Company	NOTE	2.050	12/15/24	916.81	-	-	1,514.72	597.91	(377.41)	220.50
FFCB	NOTE	1.130	01/06/25	359.38	-	-	790.63	431.25	28.88	460.13
FNMA	NOTE	1.630	01/07/25	1,895.83	-	-	4,265.63	2,369.80	(875.00)	1,494.80
Apple Inc	NOTE	2.750	01/13/25	584.38	-	-	1,558.33	973.95	63.13	1,037.08



**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Earnings Report**  
**02/01/23-02/28/23**

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
US Bank NA/Cincinnati	NOTE	2.050	01/21/25	270.49	-	-	1,081.94	811.45	(21.46)	789.99
Merck & Co Inc	NOTE	2.750	02/10/25	5,669.13	5,967.50	-	696.21	994.58	451.89	1,446.47
FHLMC Reference Note	NOTE	1.500	02/12/25	12,322.92	13,125.00	-	1,385.42	2,187.50	(423.98)	1,763.52
FFCB	NOTE	1.750	02/25/25	9,479.17	10,937.50	-	364.58	1,822.91	(76.90)	1,746.01
Exxon Mobil Corp	NOTE	2.709	03/06/25	4,364.50	-	-	5,267.50	903.00	(554.63)	348.37
Ace InA Holdings Inc	NOTE	3.150	03/15/25	5,176.50	-	-	6,318.38	1,141.88	(796.61)	345.27
Treasury Note	NOTE	0.050	03/31/25	2,725.27	-	-	3,340.66	615.39	194.60	809.99
General Dynamics Corporation	NOTE	3.250	04/01/25	541.67	-	-	677.08	135.41	(100.50)	34.91
Federal Home Loan Banks	NOTE	0.500	04/14/25	2,154.86	-	-	2,759.03	604.17	(74.30)	529.87
Home Depot Inc	NOTE	2.700	04/15/25	3,378.75	-	-	4,335.00	956.25	178.07	1,134.32
FNMA	NOTE	0.630	04/22/25	2,105.47	-	-	2,743.49	638.02	1,029.98	1,668.00
Caterpillar Financial Services	NOTE	3.400	05/13/25	3,130.83	-	-	4,335.00	1,204.17	(46.43)	1,157.74
General Dynamics Corporation	NOTE	3.500	05/15/25	2,586.11	-	-	3,606.94	1,020.83	(635.58)	385.25
Qualcomm Incorporated	NOTE	3.450	05/20/25	2,721.67	-	-	3,871.67	1,150.00	(318.41)	831.59
Pfizer Inc	NOTE	0.800	05/28/25	665.00	-	-	981.67	316.67	204.10	520.77
Truist Financial Corp	NOTE	2.280	06/09/25	3,481.61	-	-	5,410.69	1,929.08	-	1,929.08
Cisco Systems Inc	NOTE	3.500	06/15/25	1,788.89	-	-	2,955.56	1,166.67	66.68	1,233.35
Treasury Note	NOTE	2.875	06/15/25	6,065.93	-	-	9,604.40	3,538.47	776.06	4,314.53
Treasury Note	NOTE	0.250	06/30/25	386.74	-	-	725.14	338.40	843.31	1,181.71
Treasury Note	NOTE	3.000	07/15/25	1,690.61	-	-	4,475.14	2,784.53	1,043.80	3,828.33
Intel Corp	NOTE	3.700	07/29/25	82.22	-	-	1,315.56	1,233.34	(837.37)	395.97
State Street Corporation	NOTE	3.550	08/18/25	7,634.97	8,431.25	-	608.92	1,405.20	(1,012.80)	392.40
Burlington Northern Santa Fe LLC	NOTE	3.650	09/01/25	4,942.71	5,931.25	-	-	988.54	75.47	1,064.01
John Deere Capital Corp	NOTE	4.050	09/08/25	6,837.19	-	-	8,271.56	1,434.37	(14.46)	1,419.91
FFCB	NOTE	4.250	09/30/25	14,284.72	-	-	17,826.39	3,541.67	114.04	3,655.71
FNMA Benchmark Note	NOTE	0.500	11/07/25	3,680.83	-	-	4,995.42	1,314.59	311.02	1,625.61
Lockheed Martin Corporation	NOTE	3.550	01/15/26	654.78	-	-	1,882.49	1,227.71	(343.47)	884.24
FHLB	NOTE	0.700	01/28/26	61.25	-	-	673.75	612.50	2,769.32	3,381.82
Treasury Note	NOTE	0.500	02/28/26	1,169.89	1,375.00	-	7.47	212.58	1,390.46	1,603.04
FHLB	NOTE	0.960	03/05/26	3,504.00	-	-	4,224.00	720.00	2,208.97	2,928.97
Prudential Financial Inc	NOTE	1.500	03/10/26	2,643.75	-	-	3,206.25	562.50	(98.18)	464.32
FHLB	NOTE	4.130	03/13/26	-	-	1,861.98	3,294.27	1,432.29	94.94	1,527.23
Sierra Pacific Power	NOTE	2.600	05/01/26	2,437.50	-	-	3,250.00	812.50	(264.67)	547.83
Bank of America Corp	NOTE	4.830	07/22/26	422.36	-	-	1,830.24	1,407.88	77.36	1,485.24

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Earnings Report**  
**02/01/23-02/28/23**

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FHLB	NOTE	1.880	09/11/26	2,187.50	-	-	2,656.25	468.75	(259.24)	209.51
Morgan Stanley	NOTE	6.140	10/16/26	4,829.41	-	-	6,236.04	1,406.63	(151.73)	1,254.90
FHLB	NOTE	2.130	12/11/26	2,065.97	-	-	3,305.56	1,239.59	(346.67)	892.92
JP Morgan Chase & CO	NOTE	1.040	02/04/27	3,068.00	3,120.00	-	468.00	520.00	1,377.18	1,897.18
Treasury Note	NOTE	0.630	03/01/27	4,790.52	-	-	5,872.25	1,081.73	4,894.33	5,976.06
Unitedhealth Group Inc	NOTE	2.950	10/15/27	-	-	4,498.75	5,015.00	516.25	278.21	794.46
<b>Subtotal</b>				<b>\$ 276,155.23</b>	<b>\$ 109,963.22</b>	<b>\$ 6,360.73</b>	<b>\$ 263,408.10</b>	<b>\$ 90,855.36</b>	<b>\$ (2,121.33)</b>	<b>\$ 88,734.03</b>
<b>CASH EQUIVALENTS</b>										
Blackrock Liquidity Funds				-	1,053.20	-	-	1,053.20	-	1,053.20
<b>Subtotal</b>				<b>\$ -</b>	<b>\$ 1,053.20</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,053.20</b>	<b>\$ -</b>	<b>\$ 1,053.20</b>
<b>TOTAL</b>				<b>\$ 276,155.23</b>	<b>\$ 111,016.42</b>	<b>\$ 6,360.73</b>	<b>\$ 263,408.10</b>	<b>\$ 91,908.56</b>	<b>\$ (2,121.33)</b>	<b>\$ 89,787.23</b>

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**MONTH AND EIGHT MONTHS ENDED FEBRUARY, 2023 & 2022**

February 2023										
Monthly Performance					Fiscal YTD Performance (July 2022 - February 2023)					
A	B	C	D	E	F	G	H	I	J	
Actual \$ Feb 2023	Budget Feb 2023	Actual \$ Prior Year Feb 2022	Note	Variance Actual Vs. Budget	Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget	
OPERATING ACTIVITY										
CASH RECEIPTS FROM OPERATIONS										
1	\$391,755	\$359,804	\$379,346	(2)	\$31,951	\$3,467,404	\$3,015,192	\$2,908,443	(2)	\$452,212
2	2,122,692	1,865,756	1,697,078	(3)	256,936	19,948,705	15,946,745	15,777,113	(3)	4,001,960
3	1,101,698	1,106,634	908,008	(4)	(4,936)	11,646,769	9,224,843	9,853,397	(4)	2,421,926
4	1,367,254	1,281,226	1,338,092	(5)	86,028	10,686,450	10,249,808	9,955,167	(5)	436,642
5	269,362	160,441	167,066	(6)	108,921	2,444,823	1,369,559	1,650,071	(6)	1,075,264
6	211,709	77,353	65,448	(7)	134,356	1,135,342	657,648	853,218	(7)	477,694
7	570,926	295,833	341,699	(8)	275,093	3,278,642	2,366,664	3,410,964	(8)	911,978
8	\$6,035,396	\$5,147,047	\$4,896,737	(1)	\$888,349	\$52,608,135	\$42,830,459	\$44,408,373	(1)	\$9,777,676
CASH DISBURSEMENTS FROM OPERATIONS										
9	(\$164,125)	(\$151,080)	(\$87,673)	(10)	(\$13,045)	(\$829,055)	(\$977,126)	(\$672,009)	(10)	\$148,071
10	(275,668)	(330,435)	(300,095)	(11)	54,767	(2,650,887)	(2,853,106)	(2,287,173)	(11)	202,219
11	(2,628,133)	(2,685,788)	(2,612,225)	(12)	57,655	(20,817,820)	(22,300,276)	(18,489,627)	(12)	1,482,456
12	(269,010)	(312,407)	(402,520)	(13)	43,397	(4,033,431)	(4,872,317)	(4,029,012)	(13)	838,886
13	(597,989)	(570,627)	(471,857)	(14)	(27,362)	(4,754,248)	(4,760,898)	(4,284,000)	(14)	6,650
14	(88,646)	(80,508)	(17,734)	(15)	(8,138)	(611,398)	(696,565)	(313,940)	(15)	85,167
15	(380,375)	(380,375)	(380,125)	(16)	0	(3,043,000)	(3,043,000)	(3,041,000)	(16)	0
16	0	0	0	(16)	0	(2,392,687)	(1,908,482)	(1,704,178)	(16)	(484,205)
17	(\$4,403,946)	(\$4,511,220)	(\$4,272,229)	(9)	\$107,274	(\$39,132,526)	(\$41,411,770)	(\$34,820,939)	(9)	\$2,279,244
18	\$1,631,450	\$635,827	\$624,508		\$995,623	\$13,475,609	\$1,418,689	\$9,587,434		\$12,056,920
FACILITY IMPROVEMENT TRANSACTIONS										
CASH DISBURSEMENTS										
19	(\$2,497)	\$0	(\$180)	(17)	(\$2,497)	(\$2,497)	\$0	(\$1,450)	(17)	(\$2,497)
20	(727,924)	(940,000)	(19,312)	(18)	212,076	(5,583,094)	(7,065,250)	(479,334)	(18)	1,482,156
21	(\$730,421)	(\$940,000)	(\$19,492)		\$209,579	(\$5,585,591)	(\$7,065,250)	(\$480,784)		\$1,479,659
CASH RECEIPTS FROM FUNDING SOURCES										
22	\$0	\$0	\$0	(17)	\$0	\$0	\$0	\$0	(17)	\$0
23	2,463,545	161,180	307,890	(19)	\$2,302,365	2,576,885	2,659,470	2,638,440	(19)	(82,585)
24	0	688,820	0	(20)	(\$688,820)	2,462,800	3,450,530	1,242,296	(20)	(987,730)
25	\$2,463,545	\$850,000	\$307,890		\$1,613,545	\$5,039,685	\$6,110,000	\$3,880,736		(\$1,070,315)
INCREASE / (DECREASE) – FACILITY / NOISE MITIGATION TRANSACTIONS										
26	\$1,733,124	(\$90,000)	\$288,398		\$1,823,124	(\$545,906)	(\$955,250)	\$3,399,952		\$409,344
FEDERAL RELIEF GRANT FUNDS										
27	\$0	\$318,155	\$4,757,598	(21)	(\$318,155)	\$3,377,364	\$2,545,240	\$10,612,063	(21)	\$832,124
28	\$0	\$318,155	\$4,757,598		(\$318,155)	\$3,377,364	\$2,545,240	\$10,612,063		\$832,124
NET INCREASE (DECREASE) IN CASH FROM OPERATIONS										
29	\$3,364,574	\$863,982	\$5,670,504		\$2,500,592	\$16,307,067	\$3,008,679	\$23,599,449		\$13,298,388

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**MONTH AND EIGHT MONTHS ENDED FEBRUARY, 2023 & 2022**

		February 2023				Fiscal YTD Performance (July 2022 - February 2023)					
		Monthly Performance				F		G		H	
		A	B	C	D	E		F		I	
		Actual \$ Feb 2023	Budget Feb 2023	Actual \$ Prior Year Feb 2022	Note	Actual \$ Feb 2023	Variance Actual Vs. Budget	Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Variance Actual Vs. Budget
29		\$3,364,574	\$863,982	\$5,670,504		\$2,500,592		\$16,307,067	\$3,008,679	\$23,599,449	\$13,298,388
<b>NET INCREASE (DECREASE) IN CASH FROM OPERATIONS</b>											
<b>REPLACEMENT PASSENGER TERMINAL PROJECT</b>											
<b>CASH DISBURSEMENTS</b>											
30		(644,767)	(5,071,333)	(502,496)	(22)	4,426,566		(3,297,860)	(13,936,666)	(1,185,545)	10,638,806
31		(\$644,767)	(\$5,071,333)	(\$502,496)		\$4,426,566		(\$3,297,860)	(\$13,936,666)	(\$1,185,545)	\$10,638,806
32		\$2,719,807	(\$4,207,351)	\$5,168,008		\$6,927,158		\$13,009,207	(\$10,927,987)	\$22,413,904	\$23,937,194

Note 1 - The FY 2023 adopted budget assumed monthly payments to a Progressive Design Builder (PDB) would commence in January 2023 (FYTD February PDB expenditures were budgeted at approximately \$8.9 million). Although the PDB contract was awarded in December 2022, the first invoice was received and paid in April 2023.



# **BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

## **NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND EIGHT MONTHS ENDED FEBRUARY, 2023 & 2022**

### **General Comments**

The Schedule of Cash Receipts and Disbursements ("Schedule") represents the cash basis activity for the month and fiscal year-to-date ("FYTD") compared to the allocation of the annual adopted budget.

The Schedule consists of two sections: Operating Activity and Facility Improvement Transactions. Receipts are shown as positive amounts and disbursements as negative amounts. Favorable budget variances are shown as positive amounts and unfavorable variances as negative amounts. Because this Schedule is on a cash basis, cash timing differences may contribute to budget variances.

The Operating Activity receipts include charges for services (parking, landing fees and concessions), tenant rents, fuel flowage fees, other revenues and investment receipts. The Operating Activity disbursements include costs of services, materials, contracts, personnel and debt service.

Facility Improvement Transactions represent the activity for the Authority's capital program, which consists of Other Facility Improvement Program Projects and the Noise Mitigation Program.

The FY 2023 Capital Program expenditures are primarily funded by the following sources:

- FAA-approved Passenger Facility Charge ("PFC") program receipts/reserves;
- Grants; and
- Operating Revenues

The FY 2023 Replacement Passenger Terminal Project expenditures are initially funded with Airport Reserves and may be reimbursed through future Interim Financing, which is expected to be completed before June 30, 2023.

The notes below provide additional information regarding the performance results detailed in the "Schedule of Cash Receipts and Disbursements."

A Supplemental Schedule of Cash Receipts and Disbursements reflecting the activities related to the 2012 Bond debt service and repayment to the Authority of the loans provided to the Rent-A-Car Companies ("RACs") for the Regional Intermodal Transportation Center / Consolidated Rental Car Facility is also presented.

Due to uncertainties including impacts from COVID-19 variants, unstable global events, inflationary pressures and potential economic recession, the Authority continued its conservative outlook on passenger recovery into FY 2023. The Authority's Adopted FY 2023 budget was based on the following quarterly activity assumptions:

- Q1 (July - September): a reduction of 10% (represents recovery of 90%)
- Q2 (October - December): a reduction of 15% (represents recovery of 85%)
- Q3 (February - March): a reduction of 20% (represents recovery of 80%)
- Q4 (April - June): a reduction of 15% (represents recovery of 85%)

Passengers decreased by 5.71% FYTD February when compared to pre-COVID levels. The result at FYTD February was favorably above the blended budgeted assumption of a passenger reduction of 14.38% contributing to positive financial performance.

The Adopted FY 2023 Budget includes the use of \$3.8 million in federal relief funds to support the 2015 Bond debt service.

(Continued)

# **BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

## **NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND EIGHT MONTHS ENDED FEBRUARY, 2023 & 2022**

**NOTE (1) – Cash Receipts from Operations**

Cash receipts from operations exceed the budget FYTD February. On an accrual basis, operating revenues exceed the budget FYTD February by \$7,807,823. See notes 2 through 8 for additional information regarding operating receipts.

**NOTE (2) – Landing/Fuel Fees**

Landing Fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of \$0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. On an accrual basis, Landing Fees combined with Fuel Flowage Fees exceed the budget by \$490,986 FYTD February.

**NOTE (3) – Parking Fees**

Parking fee revenues performed above the budget forecast. Accrual basis Parking Fees are \$3,366,258 ahead of budget FYTD February.

**NOTE (4) – Rental/Concession Receipts - Terminal Building**

Terminal Building rental/concession receipts exceed the budget FYTD February partially due to the timing of receipts. Accrual basis Terminal Building rents/concessions exceed the budget by \$1,477,341 FYTD February.

**NOTE (5) – Rental Receipts - Other Buildings**

Other Buildings rental receipts exceed the budget FYTD February partially due to the timing of receipts. Accrual basis Other Building rents are \$437,976 ahead of budget FYTD February due to CPI adjustments.

**NOTE (6) – Ground Transportation**

This category consists of off-airport access fees and TNC activity. Accrual basis Ground Transportation receipts exceed the budget by \$1,037,026 FYTD February.

**NOTE (7) – Other Receipts**

This category consists primarily of filming, TSA LEO reimbursements, fingerprint/badge renewal fees, noise fees, access fees, and ground handling services for the airlines. Accrual basis Other Receipts are \$273,192 ahead of budget FYTD February.

**NOTE (8) – Investment Receipts - Treasurer**

This line item represents cash received from the investment of funds. These receipts fluctuate in response to interest rate and portfolio balance changes, the timing of coupon payments and individual investment maturities. Accrual basis investment income exceeds the budget by \$725,044 FYTD February.

**NOTE (9) – Cash Disbursements from Operations**

Overall operating disbursements on a cash basis and accrual basis are favorably under the budget FYTD February. See additional information on operating disbursement in notes 10 through 16.

**NOTE (10) – Administrative Supplies & Costs**

This line item includes office supplies, printing, postage and delivery, office equipment service and lease, recruiting, membership, uniform, Commission meeting, conference and training costs.

(Continued)



# **BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

## **NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND EIGHT MONTHS ENDED FEBRUARY, 2023 & 2022**

**NOTE (11) – Operating Supplies & Maintenance**

This line item includes utilities, fuel, general repairs and maintenance, landscaping, supplies and telephone costs.

**NOTE (12) – Contractual Operating Costs**

This line item includes various contractual operating costs such as ARFF services, janitorial services, systems and vehicle repair, parking operations and the TBI Airport Management contract costs.

**NOTE (13) – Contractual Professional Services**

This line item includes various professional services such as legal, auditing, noise, financial and insurance.

**NOTE (14) – Wages and Benefits**

Wages and Benefits consist of payroll and fringe benefit costs for the Airport Police officers, and include the impact of the terms of the Memorandum of Understanding effective February 2023. Wages and Benefits include overtime for film location services which are recovered through the related film revenue.

**NOTE (15) – Other Operating Costs**

This line item primarily includes public relations/advertising, air service retention, and license/permit fees.

**NOTE (16) – Parking Tax**

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. The next remittance, covering parking activity for the months of January, February and March 2023, is due April 2023.

**NOTE (17) – Noise Mitigation Program**

FAA Grants are budgeted to partially fund the Part 150 Update project. An award of contract is anticipated in summer 2023.

**NOTE (18) – Other Facility Improvement Program Projects**

Other Facility Improvement Program Projects costs on a cash basis are under budget FYTD February by \$1,482,156 due to delay in construction from several projects.

**NOTE (19) – FAA Grants – Other Facility Improvement Program Projects**

FAA Grants are budgeted to partially fund the Taxiway C Pavement Rehabilitation project.

**NOTE (20) – Passenger Facility Charge Receipts/Reserves**

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges, including the Taxiway C Pavement Rehabilitation Project, the Airfield Lighting Vault Project, the Runway 8 PAPI Relocation Project and the Part 150 Update Project. The majority of FYTD February receipts represents reimbursement of FY 2022 costs of the Taxiway A Rehabilitation Project (\$1,344,570) and reimbursement of the costs of the Airfield Lighting Vault Project (\$956,506).

(Continued)

## **BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

### **NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

**MONTH AND EIGHT MONTHS ENDED FEBRUARY, 2023 & 2022**

**NOTE (21) – Federal Relief Grant Funds**

The Adopted FY 2023 Budget includes the use of \$3.8 million in federal relief funds to support the 2015 Bond debt service. FYTD February receipts in the amount of \$3,377,364 represent reimbursement of FY 2022 personnel costs (\$1,095,114) and July to December 2022 payments for 2015 Bond Debt Service (\$2,282,250).

**NOTE (22) – Replacement Passenger Terminal Project**

The Authority has programmed \$34,225,000 from Airport Reserves to fund FY 2023 Replacement Passenger Terminal Project expenditures. Any use of Airport Reserves may be reimbursed through future Interim Financing. Replacement Passenger Terminal Project costs on a cash basis are under budget FYTD February by \$10,638,806. The FY 2023 adopted budget assumed monthly payments to a Progressive Design Builder (PDB) would commence in January 2023. Although the PDB contract was awarded in December 2022, the first invoice was received and paid in April 2023. The majority of FYTD February \$3,297,860 cash expenditures are related to Jacobs Project Management services (\$2,518,035).

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**REGIONAL INTERMODAL TRANSPORTATION CENTER / CONSOLIDATED RENTAL CAR FACILITY PAYMENTS AND COLLECTIONS**  
**MONTH AND EIGHT MONTHS ENDED FEBRUARY, 2023 & 2022**

		February 2023					Fiscal YTD Performance (July 2022 - February 2023)				
		Monthly Performance					F				
		A	B	C	D	E	F	G	H	I	J
	Actual \$ Feb 2023	Budget Feb 2023	Actual \$ Prior Year Feb 2022	Note	Variance Actual Vs. Budget		Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget

33	\$361,321	\$313,725	\$330,212	(1)	\$47,596	Customer Facility Charge Receipts	\$3,329,964	\$2,686,274	\$3,002,771	(1)	\$643,690
34	0	91,739	0	(2)	(91,739)	Federal Relief Grant Funds - 2012 Bond Debt Service	1,426,999	511,959	376,227	(2)	915,040
35	35,893	80,860	85,914	(3)	(44,967)	Facility Rent	635,673	692,361	692,657	(3)	(56,688)
36	(486,324)	(486,324)	(486,246)		0	Payments to Bond Trustee for 2012 Bond Debt Service	(3,890,594)	(3,890,594)	(3,889,970)		0
37	<u>(\$89,110)</u>	<u>\$0</u>	<u>(\$70,120)</u>	<u>(4)</u>	<u>(\$89,110)</u>		<u>\$1,502,042</u>	<u>\$0</u>	<u>\$181,685</u>	<u>(4)</u>	<u>\$1,502,042</u>

**General Comments**

The debt service on the 2012 Revenue Bonds and the repayment to the Authority of the loans to the Rent-A-Car Companies ("RACs") is payable from Customer Facility Charges ("CFCs") and Facility Rents. Under the terms of the Bond Indenture, as amended, all CFCs collected subsequent to July 1, 2014 are remitted to the Bond Trustee for the 2012 Bond debt service.

On July 1, 2014, the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the respective Rent-A-Car Companies became effective, including the collection of Facility Rent.

**Note (1) – Customer Facility Charge ("CFC") Receipts**

CFCs of \$6 per day per transaction, up to a maximum of five days, are collected and applied to the 2012 Bond debt service.

**Note (2) – Federal Relief Grant Funds**

FYTD February reimbursement in the amount of \$1,426,999 assists in covering FY 2022 costs related to the 2012 Bond Debt service .  
The adopted FY 2023 budget programs \$804,930 in Federal Relief Grant Funds (ARPA) to assist in covering the 2012 Bond Debt Service for FY 2023.

**Note (3) – Facility Rent**

Facility Rent receipts are available for the 2012 Bond debt service and other allowable uses.

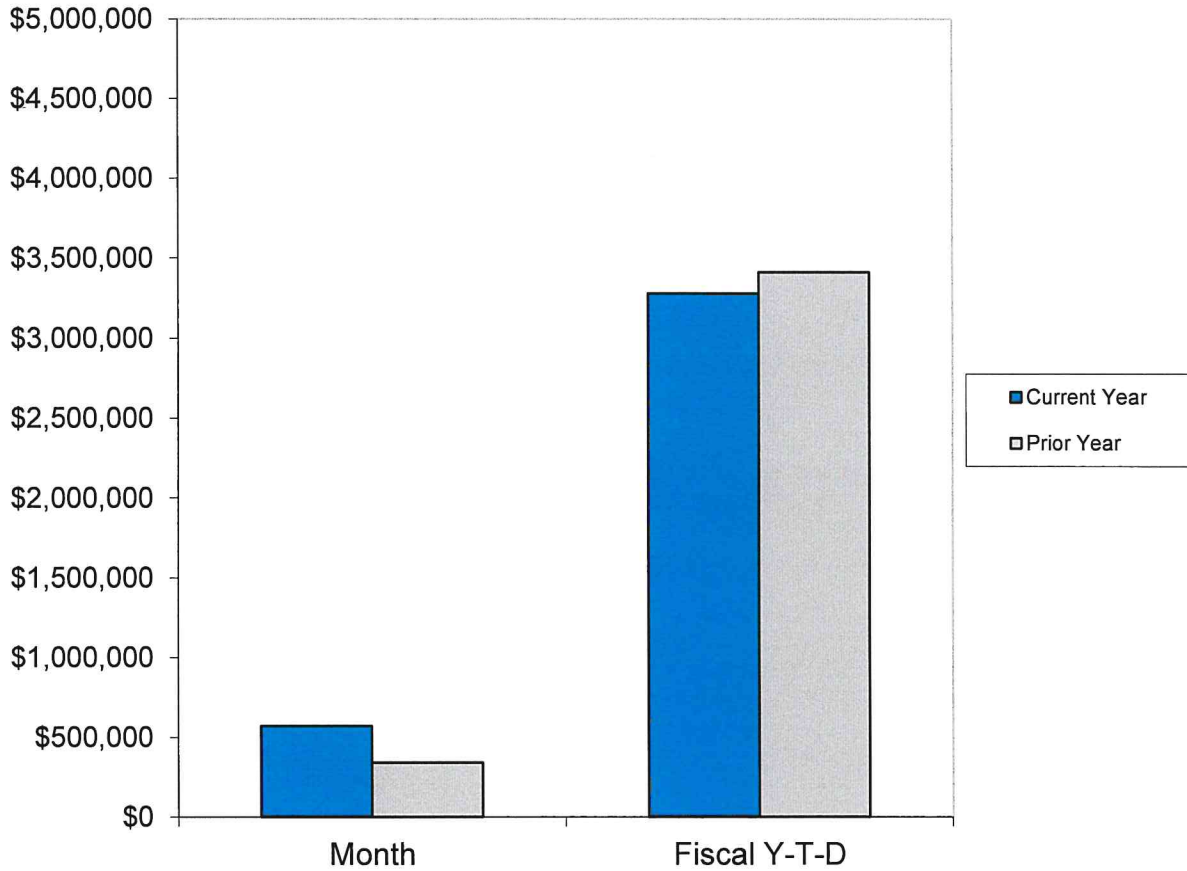
**Note (4) – Net RITC / ConRAC Facility Payments and Collections**

At fiscal year-end, upon conclusion of the required reconciliation, any excess surplus accumulated will be evaluated and applied toward the allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the Rent-A-Car Companies.

In the event of a shortfall of receipts to meet the required payment obligations (i.e., CFC collections perform under budget projections), the Authority holds the right to adjust the Facility Rent paid by the rental car companies on a 30-day notice.

## ***Burbank-Glendale-Pasadena Airport Authority***

### ***INTEREST ANALYSIS***



	February 2023	February 2022
Interest Receipts - - Month	\$570,926	\$341,699
Interest Receipts - - Fiscal Y-T-D	\$3,278,642	\$3,410,964
Month End Portfolio Balance	\$281,985,885	\$260,536,318
Yield to Maturity	4.73%	1.32%



**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MAY 15, 2023**

**FIFTEENTH AMENDMENT TO THE  
LEASE AND CONCESSION AGREEMENT  
MCS BURBANK, LLC**

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

**SUMMARY**

At its meeting held on May 1, 2023, the Finance and Administration Committee (“Committee”) voted unanimously (3-0) to recommend that the Commission approve the proposed Fifteenth Amendment (“Amendment”) to the Lease and Concession Agreement (“Agreement”) with the Authority’s exclusive food and beverage concessionaire, MCS Burbank, LLC (“MCS”). The proposed Amendment will provide an additional 185 square feet of space at Guy’s High Ball Lounge for customer seating.

**BACKGROUND**

MCS is the exclusive food and beverage concessionaire at the Airport and has had a presence here since May 1992. On December 31, 2000, the Authority entered into a ten (10) year Agreement with MCS for the operation of a food and beverage concession. This Agreement was initially extended under the Second Amendment to June 30, 2013, with subsequent amendments extending the term to June 30, 2026. MCS currently leases over 16,000 square feet of terminal space which is comprised of food and beverage concession, offices and storage space in Terminal A and B.

MCS is a tenant in good standing that consistently performs over the Minimum Annual Guarantee (“MAG”) requirement. Currently MCS pays the Authority the greater of MAG or percentage of gross revenues (12% food and beverage, 17% alcohol).

On March 19, 2018, the Authority approved 287 square feet of space for the development of Guy’s High Ball Lounge which has become one of the premier food and beverage offerings located at Gate A5. Over the last 6 months, Guy’s High Ball Lounge has averaged approximately \$150,000 in gross sales and continues to provide exceptional service to passengers traveling out of terminal A.

MCS reached out to staff and requested additional space for the use of placing tables and chairs to accommodate the increasing number of customer demand.

**DETAILS**

Space Increase:	185 Square Feet
Rent:	Increase of \$316.35 per month, \$3,796.20 per year
Annual Adjustment:	Adjusted annually by CPI, not to exceed 3%

MAG:	Increase of \$16,572.33 per year
Term:	Agreement will convert to a month-to-month term after June 30, 2026
Termination Clause:	Allows for the termination of the Lease in the event of an early completion of the Replacement Passenger Terminal

#### IMPACT ON REVENUE

The proposed Amendment to the Lease and Concession Agreement will have a positive impact on the Authority's operating budget by generating an additional \$3,796.20 per year of rent and increasing the Minimum Annual Guarantee by \$16,572.33 per year.

#### RECOMMENDATION

At its meeting held on May 1, 2023, the Committee voted unanimously (3-0) to recommend that the Commission approve the proposed Amendment to the Agreement between MCS and to authorize the President to execute same.



## **FIFTEENTH AMENDMENT TO LEASE AND CONCESSION AGREEMENT**

This FIFTEENTH AMENDMENT TO LEASE AND CONCESSION AGREEMENT (this “Amendment”) is dated as of \_\_\_\_\_, 202\_\_ (“Effective Date”) 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 MCS BURBANK, LLC, a Nevada limited liability company (“Tenant”).

### **RECITALS**

A. Landlord and Tenant are parties to a Lease and Concession Agreement dated December 31, 2000, which was amended by fourteen amendments dated October 15, 2001, September 2, 2003, November 5, 2012, May 19, 2014, February 2, 2015, September 6, 2016, October 2, 2017, March 19, 2018, March 15, 2019, April 6, 2020, August 17, 2020, August 17, 2020, December 14, 2020, and August 15, 2022 (the “Lease”).

B. Landlord and Tenant desire to further amend the Lease to add the premises described on Exhibit “A” attached hereto.

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. Additional Leased Premises; Increase in Rent. As of \_\_\_\_\_, 202\_\_: (i) the premises described in Exhibit “A” shall be added to and become part of the Premises under the Lease, and all references to “Premises” in the Lease shall include such additional premises (the “Expansion Premises”); (ii) the rent under the Lease shall increase by Three Hundred Sixteen and 35/100 Dollars (\$316.35) per month, which is an increase of (\$3,796.20) per year; and (iii) Section 7.1.1 of the Lease is amended to read as follows:

“7.1.1 Minimum Annual Guarantee; Annual Adjustment. The Minimum Annual Guarantee shall be One Million Four Hundred Fifty-Seven Thousand Nine Hundred Sixteen and 84/100 Dollars (\$1,457,916.84). Beginning on January 1, 2024, and on each January 1 thereafter during the remainder of the Term (each, an “Adjustment Date”), the Minimum Annual Guarantee shall be increased (an “Adjustment”) in proportion to the percentage increase, if any, in the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor for all Urban Consumers – all items (base years 1982-1984 = 100) for Los Angeles – Riverside – Orange County, CA (SMSA) (“Index”) for the month of December immediately preceding the Adjustment Date as compared to the Index for the month of December in the immediately preceding calendar year, provided that, in no event shall any Adjustment be greater than three percent (3%) of the amount of the Minimum Annual Guarantee immediately preceding such Adjustment. Lessor shall calculate the amount of increase in the Minimum Annual Guarantee after United States Department of Labor publishes the applicable December Index and shall give Concessionaire notice of the amount of the increase. Concessionaire shall continue to pay installments of the unadjusted Minimum Annual Guarantee until

Lessor notified Concessionaire of the amount of increase. Concessionaire shall pay the amount of the increase in the Minimum Annual Guarantee, multiplied by the number of installments coming due since the Adjustment Date, with the installment of Minimum Annual Guarantee next coming due under this Agreement, and shall thereafter pay the installments of Minimum Annual Guarantee due under this Agreement at such increased rate. If the Index referred to in this section is changed, discontinued, or revised during the Term, Lessor shall use the available Consumer Price Index published by the United States Department of Labor that obtains substantially the same result provided by the Index referred to herein.”

All such additional rent shall be payable together with the rent and other applicable monthly charges for the remainder of the Premises without prior notice, deduction or offset, and shall increase on each anniversary (i.e., January 1 of each calendar year) as described in Section 7.2.2 of the Lease.

2. Use of Expansion Premises. Tenant may use the Expansion Premises for “Guy’s Highball Lounge” seating, and for no other use without the written consent of Landlord.

3. Repairs and Maintenance. Without limiting Section 1 above, but for the sake of clarity, Section 8 of the Lease shall apply to the Expansion Premises.

4. No Other Changes. Except as expressly modified herein, all of the terms of the Lease shall remain in full force and effect.

5. Entire Agreement; Conflict. This Amendment, in conjunction with the Lease, constitutes the entire agreement of Landlord and Tenant with respect to the subject matter hereof and thereof and supersedes all oral and written agreements and understandings regarding the subject matter hereof. In the event of any conflict between the terms of the Lease, and the terms of this Amendment, the terms of this Amendment shall control. This Amendment shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns.

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

**TENANT:**

MCS BURBANK, LLC

By: Tamara Mora

Print Name: Tamara Mora

Manager

By: Steven Mora

Print Name: Steven Mora  
Manager

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY, a public entity

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

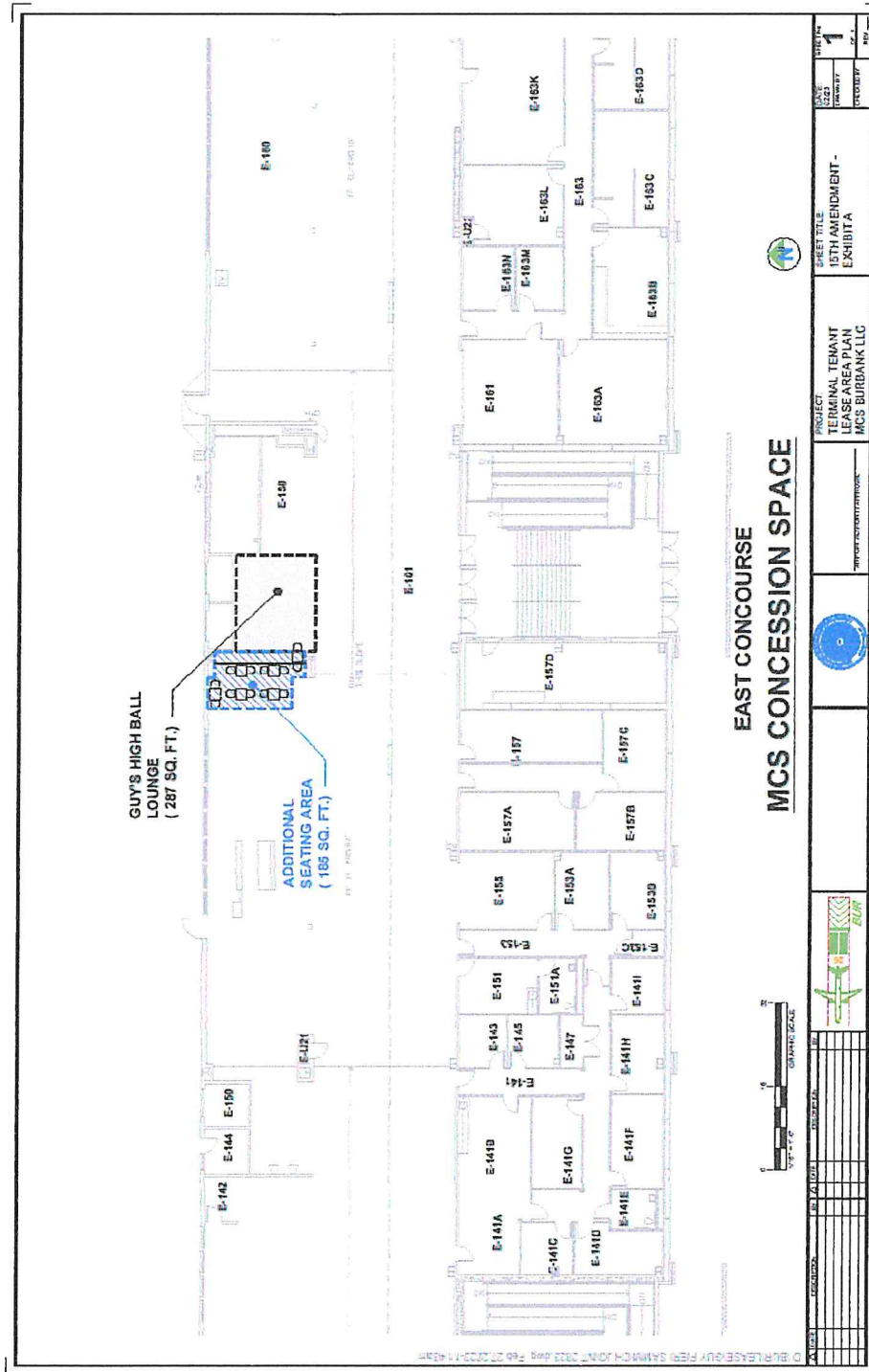
Print Name: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Richards, Watson & Gershon,  
A Professional Corporation

# EXHIBIT "A"

## DESCRIPTION OF EXPANSION PREMISES



**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MAY 15, 2023**

**TRANSPORTATION SECURITY ADMINISTRATION  
TERMINAL SPACE LEASE**

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

**SUMMARY**

At its meeting held on May 1, 2023, the Finance and Administration Committee ("Committee") voted unanimously (3-0) to recommend that the Commission approve the proposed Terminal Space Lease ("Lease"), copy attached, with the General Services Administration ("GSA") on behalf of the Transportation Security Administration ("TSA") for 3,500 square feet of exclusive use space for a period of three years to support TSA's operation in the current terminal.

**BACKGROUND**

On April 21, 2003, the Authority entered into a Terminal Space Lease ("2003 Lease") with the GSA on behalf of the TSA for office space at the airport. The 2003 Lease covered three phases of occupancy. Phase 1 covered the initial period from August 1, 2002, to December 17, 2002, for 6,903 square feet of space located throughout the Airport. Phase 2 covered the period of December 17, 2002, to April 30, 2003, and added 619 square feet of interim modular space. Phase 3 covered the period from May 1, 2003, to June 30, 2008, for permanent lease premises comprised of 3,500 square feet of space located within the East Concourse. This 2003 Lease was later amended for an additional five (5) years

On November 5, 2012, the Authority entered into a ten (10) year space lease ("2012 Lease") with the GSA on behalf of the TSA for the same 3,500 square feet of exclusive use space located in the East Concourse as previously occupied. This 2012 Lease is set to expire on June 4, 2023.

GSA reached out to staff requesting a new Lease be executed for the same 3,500 square feet of exclusive use space TSA occupies in the terminal.

The proposed Lease is for a term of three years with a rental rate of \$12,314.17 per month or \$147,770.00 per year.

**DETAILS**

The key components of the proposed Terminal Space Lease are as follows:

Premises:	3,500 square feet of office space located within the East Concourse
Term:	3 years commencing June 5, 2023
Current Rent:	\$10,189.67 per month or \$122,276.00 per year

New Rent: \$12,314.17 per month or \$147,770.00 per year

Termination: GSA reserves the right to terminate the lease with thirty (30) days' notice should (i) regularly scheduled commercial air services cease, (ii) the airport opts to replace TSA screeners with private contractors, (iii) the checkpoint supported by the leased Space is closed, or (iv) the Government reduces its presence at the airport due to a reduction in enplanements.

#### BUDGET IMPACT

The proposed Lease will increase the rental revenue received by an additional \$2,124.50 per month.

#### RECOMMENDATION

At its meeting held on May 1, 2023, the Committee voted unanimously (3-0) to recommend that the Commission approve the proposed Lease with the GSA for TSA terminal space lease and authorize the President to execute same.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MAY 15, 2023**

**ORGANIZATIONAL GOVERNANCE STRUCTURE STUDY**

Prepared by  
Geoff Wheeler, Ricondo & Associates  
Louis Choi, Public Resources Advisory Group

**SUMMARY**

At its meeting held on May 1, 2023, Staff requested direction from the Legal, Government and Environmental Affairs Committee (“Committee”) regarding the undertaking of an organizational governance structure study.

**BACKGROUND**

Since its acquisition of the Airport in 1978, the Authority has utilized an independent contractor for management services and personnel. The Authority’s current, and longstanding, contractor for these services is TBI Airport Management, Inc. (“TBI”). Over the years some Commissioners have occasionally expressed interest in receiving an assessment of the advantages and disadvantages of having a chief operating officer who is an Authority employee rather than a TBI employee. The last effort started in February 2020 when the Commission awarded ADK Consulting Inc. (“ADK”) a professional services agreement to perform this analysis. ADK initiated the work, but the study was suspended due to the COVID-19 pandemic and was not restarted.

At the March 6, 2023 Commission meeting, in response to a request by Commissioner Ovrom, Staff presented an update on the status of the ADK contract. The Commission gave the Committee the assignment of working on procurement documents for an organizational governance structure study and asked the Committee to provide a recommendation within six months.

While preparing to agendize this item for the Committee, Staff became concerned about how undertaking an organizational governance structure study at this time may negatively impact the public finance offering and the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) loan application currently in process for the Replacement Passenger Terminal (“RPT”) Project. Staff therefore requested guidance from Public Resources Advisory Group (“PRAG”), the Authority’s financial advisor, and from Ricondo & Associates (“Ricondo”), the Authority’s feasibility study consultant. PRAG and Ricondo provided the following input:

- Undertaking an organizational governance structure study would have to be disclosed to rating agencies and in the official statement for a public finance offering.
- Rating agencies most likely will consider an organizational governance structure study to be a negative factor in their determination of the Authority’s credit rating. With the Authority’s prior public financings, management (especially its demonstrated ability to maintain a low cost of operations) has consistently been mentioned by rating agencies as a credit strength of Hollywood Burbank Airport.



- Rating analysts and investors are likely to question Ricondo about how the operating cost assumptions in its report would change if the management arrangement were altered and Ricondo would have to address this in its report.
- Given the price tag of the RPT Project, and the likely 10 to 12 times increase in cost per enplanement, an organizational governance structure study may cause the Airlines serving Hollywood Burbank Airport to reexamine their level of support. The RPT Project is an extraordinary undertaking for an airport the size of Hollywood Burbank Airport, further complicated by the fact that the RPT cannot have additional gates beyond 14, which would normally bring opportunities to lower costs to the Airlines.
- The Airlines have voiced their trust with management numerous times over the past 15 years. Just the inkling of change can have an impact on the Airlines and the Authority cannot afford to lose or have weakened support from them for the RPT Project.

### RECOMMENDATION

At the Committee meeting held on May 1, 2023, Staff recommended that the Committee table the undertaking of an organizational governance structure study at this time based on the input from PRAG and Ricondo,

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MAY 15, 2023**

**AMENDMENT NO. 2 TO  
SELF-PARK MANAGEMENT SERVICES AND  
VALET PARKING SERVICES AGREEMENT  
AND  
AMENDMENT NO. 2 TO  
COURTESY SHUTTLE SERVICES AGREEMENT**

Prepared by Tom Janowitz  
Senior Manager, Ground Access

**SUMMARY**

The existing parking management (self-park and valet) and courtesy shuttle agreements are set to expire June 30, 2023. Due to a delay incurred with the issuance of a Request for Proposals (“RFP”) for these services, Staff seeks a limited three (3) month extension of the respective service agreements with the two current services providers. The RFP is requesting bids for combined parking management and courtesy shuttle operations. This extension will allow time to conclude the RFP process and present a recommended contract for award to the Commission.

Subject to approval by the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks Commission approval of:

- 1) A proposed Amendment No. 2 to the Self-Park Management Services and Valet Parking Services Agreement with SP Plus Corporation (“SP+”) to extend the agreement to September 30, 2023. If approved, the proposed amendment would become effective immediately, continuing with the current fee structure.
- 2) A proposed Amendment No. 2 to the Courtesy Shuttle Services Agreement (“Shuttle Agreement”) with MV Transportation, Inc. (“MV”) to extend the agreement to September 30, 2023, and increase the monthly fee from \$239,493.56 to \$246,678.36 (fuel costs will continue to be paid by the Authority). If approved, the proposed amendment would become effective July 1, 2023.

**BACKGROUND**

SP+ has provided the self-park management services and valet parking services since 2018. MV has provided the courtesy shuttle service between the Airport’s remote parking lots and terminal from 2015 to 2020. During the COVID-19 pandemic, with the temporary closure of valet and the remote lots, these services were modified or suspended in April 2020.

Coinciding with the rebound in passenger traffic, the Commission began to reopen valet in July 2020 and the remote parking lots in October 2021. MV was awarded a month-to-month

agreement for courtesy shuttle services while Staff issued an RFP for courtesy shuttle services over a longer-term.

Upon completion of a competitive selection process, MV was awarded a ten-month Shuttle Agreement on February 22, 2022, for the fixed-route shuttle services to the Authority's remote parking lots and Employee Parking Lot. Amendment No. 1 was executed on November 21, 2022, to extend the term by six months and increase the monthly fee. The intent of the term of this contract was to provide the Authority an opportunity to continue shuttle services while Staff researched a shift to electric shuttle vehicles.

On April 26, 2022, a Request for Information ("RFI") was issued to determine if the shuttle service industry was in a position with the necessary expertise to operate an electric vehicle fleet at the Airport. The results of the RFI were incorporated into the solicitation for these shuttle services.

An RFP for Self-Park Management, Valet Parking, and Courtesy Shuttle Services was issued on April 11, 2023 for the purposes of complying with the Memorandum of Understanding with the South Coast Air Quality Management District and the Authority's Air Quality Improvement Plan. Proposals are due on May 22, 2023 with submittal evaluations and interviews thereafter. Staff plans to return to the Committee with a recommendation for Committee and Commission consideration in July 2023.

#### DETAILS

The proposed amendment to the Parking Agreement extends the term of the contract to September 20, 2023. All other terms remain unchanged.

The proposed amendment to the Shuttle Agreement increases the monthly cost to \$246,678.36 for labor, which represents a 3% increase to the current monthly rate of \$239,493.56. The 3% increase reflects the increases in MV's employees' labor rates that are covered under a collective bargaining agreement with Teamsters Local 911. The Authority will continue to pay the cost of fuel.

The proposed amendments extend the terms of the contracts to allow the Authority time to ensure RFP respondents incorporate courtesy shuttle services and to integrate a potential new pre-booking system into the Self-Park Management, Valet Parking, and Courtesy Shuttle Services Agreement. Combining these services into one agreement has potential cost savings and operational efficiencies for the Authority.

Under the proposed amendment, MV will continue to utilize its fleet of CNG-powered, 18-seat ADA-compliant 18-passenger vehicles dedicated to the Airport.

#### BUDGET IMPACT

The proposed FY 2024 budget will include appropriations equal to FY 2023 budget amounts, which are close to estimated FY 2023 actual expenditures, as a placeholder pending conclusion of the RFP process. Upon conclusion of the contract award, the Committee and Commission will be apprised of any resulting budget impact.

### RECOMMENDATION

Subject to the approval of the Committee at its meeting immediately preceding the Commission meeting, Staff recommends that the Commission approve the proposed amendments with SP+ and MV and authorize the President to execute the same.

**AMENDMENT NO. 2 TO  
AGREEMENT FOR SELF-PARK MANAGEMENT SERVICES AND  
VALET PARKING SERVICES**

This Amendment No. 2 (“Second Amendment”) to the May 7, 2018 Agreement for Self-Park Management Services and Valet Parking Services (“Agreement”) executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”) and SP Plus Corporation (SP+) (“Manager”) is dated May \_\_, 2023 for reference purposes.

**RECITALS**

- A. The parties executed the Agreement to provide for Manager’s performance of self-park management services and valet parking services at the Hollywood Burbank Airport.
- B. The parties executed a February 26, 2019 Amendment No. 1 (“First Amendment”) to the Agreement to: (i) specify implementation and management requirements for an e-Commerce Platform; and (ii) reinforce the applicability of Manager’s indemnity obligations to the e-Commerce Platform implementation and management.
- C. The parties desire to amend the Agreement to extend the term three months.

**NOW, THEREFORE**, the parties agree as follows:

- 1. Amendment to Section 1.** Subsection 1.10 of Section 1 (“Definitions”) of the Agreement is amended to read as follows:

“1.10 ‘Expiration’ means 11:59 p.m. September 30, 2023.”

- 2. Preservation of Agreement.** Except as expressly modified by this Second Amendment, all of the provisions of the Agreement (as amended by the First Amendment) shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this Second Amendment and the provisions of the Agreement (as amended by the First Amendment), the provisions of this Second Amendment shall control.

**[SIGNATURES ON FOLLOWING PAGE]**

**TO EFFECTUATE THIS SECOND AMENDMENT**, the parties have caused their duly authorized representatives to sign below.

**SP Plus Corporation**

By: Jason Finch

Print Name: Jason Finch

☐ Chairperson ☒ President ☐ Vice President

By: Kristopher Roy

Print Name: KRISTOPHER ROY

☐ Secretary ☐ Asst. Secretary  
☒ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

**Burbank-Glendale-Pasadena Airport Authority**

Emily Gabel-Luddy, President

Approved as to form:

Richards, Watson & Gershon  
A Professional Corporation



**AMENDMENT NO. 2**  
**TO COURTESY SHUTTLE SERVICES AGREEMENT**  
(Burbank-Glendale-Pasadena Airport Authority / MV Public Transportation, Inc.)

THIS AMENDMENT NO. 2 (“Second Amendment”) to the March 1, 2022 Courtesy Shuttle Services Agreement (“Agreement”) executed by the Burbank-Glendale-Pasadena Airport Authority, a California joint powers agency (“Authority”), and MV Public Transportation, Inc., a California corporation (“Operator”), is dated May , 2023 for reference purposes. Operator and Authority may each be referred to hereinafter individually as a “party” or collectively as the “parties.”

**RECITALS**

- A. The parties executed the Agreement to provide for the Authority’s retention of Operator to provide airport shuttle services.
- B. The parties executed a November 21, 2022 Amendment No. 1 (“First Amendment”) to the Agreement to: extend the term six months and increase the monthly fee.
- C. The parties desire to amend the Agreement to extend the term three months and increase the monthly fee.

**NOW, THEREFORE**, the parties agree as follows:

**1. Modifications.**

- a. Paragraph (C) of Section 1 (Definitions) of the Agreement is amended to read as follows:

“C. ‘Contract Amount’ shall mean \$246,678.36 per month, plus the cost of fuel.”

- b. Section 4 (Term) of the Agreement is amended to read as follows:

“4. **Term:** The term of this Agreement begins on the Effective Date and ends on September 30, 2023.”

**2. Effectiveness.** This Second Amendment shall be effective July 1, 2023.

**3. Counterparts.** This Second Amendment may be executed in one or more counterparts (including by means of telecopied signature page or as a PDF or similar attachment to an electronic communication).

**4. Preservation of Agreement.** Except as expressly modified by this Second Amendment, all of the provisions of the Agreement (as amended by the First Amendment) shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this Second Amendment and the provisions of the Agreement (as amended by the First Amendment), the provisions of this Second Amendment shall control.

**TO EXECUTE THIS SECOND AMENDMENT**, the parties have caused their duly authorized representatives to sign below.

MV Public Transportation, Inc.

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

Print Name: Kevin Klika

☐ Chairperson ☒ President ☐ Vice President

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

Print Name: Jamie Pierson

☐ Secretary ☐ Asst. Secretary  
☒ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
Emily Gabel-Luddy, President

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MAY 15, 2023**

**AIRPORT CARBON ACCREDITATION  
EMISSIONS REDUCTION TARGET  
FOR HOLLYWOOD BURBANK AIRPORT**

Prepared by Maggie Martinez  
Director, Noise & Environmental Affairs

**SUMMARY**

At its meeting held on May 1, 2023, the Legal, Government and Environmental Affairs Committee (“Committee”) voted unanimously (3-0) to recommend that the Commission approve Resolution No. 501 which is the Hollywood Burbank Airport’s (“Airport”) Emission Reduction Target (“ERT”) statement. This is part of the ongoing effort to achieve Level 2 Airport Carbon Accreditation (“ACA”) certification from the Airport Council International (“ACI”), to support the Burbank-Glendale-Pasadena Airport Authority’s (“Authority”) sustainability efforts in reducing the carbon emissions footprint of the Airport.

**BACKGROUND**

On December 19, 2022, the Airport Authority awarded a Professional Service Agreement to Polytechnique Environmental to support the Airport with its sustainability efforts in reducing the carbon emissions footprint through a Level 2 ACA certification from ACI.

The ACA program encourages and enables airports to implement best practices in carbon management and achieve emissions reductions. The program focuses primarily on carbon emissions as these make up the majority of an airport’s emissions profile. The ACA program is the only global standard for carbon management in the airport industry and was developed according to the International Standards.

On January 2023, the Airport began the ACA accreditation process, and to date, the team has assembled a Carbon Management Committee, developed a draft CMP, compiled 5 years of Scope 1 and 2 data, and is in the process of preparing a greenhouse gas inventory.

**DRAFT ERT STATEMENT**

The Airport’s consultant has prepared the following draft ERT statement for the Authority’s consideration:

“The Burbank-Glendale-Pasadena Airport Authority (“Authority”) is committed in its efforts to reduce the environmental footprint of Hollywood Burbank Airport (“Airport”), integrate sustainable practices into Airport operations, and respond to community concerns while providing economic benefits to the region. The Authority is dedicated to reducing the Airport’s greenhouse gas emissions year after year to minimize the Airport’s carbon footprint over time.

Further, the Authority has pledged to reach carbon neutrality at the Airport by 2045, consistent with City of Burbank and State of California goals. Carbon reductions will be measured on a per-passenger basis for emissions under the Authority's control (known as Scope 1 and 2 emission sources) including fleet and heavy-duty vehicles, emergency generators, firefighting training, refrigerant losses, and purchased electricity. The Authority will strive to achieve these reductions through initiatives such as the clean fleets program, sustainable design and construction program, and renewable energy projects. These advances toward sustainability will support the Authority's objective to serve its guests while minimizing environmental impacts."

This step does not address how reductions will be measured. That will be addressed in the application to ACI.

#### RECOMMENDATION

At its meeting held on May 1, 2023, the Committee voted unanimously (3-0) to recommend that the Commission approve Resolution No. 501 to continue with the Airport's ongoing effort to achieve Level 2 ACA certification from ACI.

**RESOLUTION NO. 501**

**A RESOLUTION OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY COMMISSION  
STATING AN EMISSIONS REDUCTION TARGET**

The Burbank-Glendale-Pasadena Airport Authority Commission resolves as follows:

**Section 1. Findings.**

A. Airports Council International has established an Airport Carbon Accreditation (“ACA”) Program to encourage and enable airports to implement best practices in carbon management and achieve emissions reductions.

B. The ACA Program is the only global standard for carbon management in the airport industry.

C. The Burbank-Glendale-Pasadena Airport Authority (“Authority”) is pursuing a Level 2 certification from the ACA Program for Hollywood Burbank Airport (“Airport”).

**Section 2. Emissions Reductions Target.** The Authority is committed in its efforts to reduce the environmental footprint of the Airport, integrate sustainable practices into Airport operations, and respond to community concerns while providing economic benefits to the region. The Authority is dedicated to reducing the Airport’s greenhouse gas emissions year after year to minimize the Airport’s carbon footprint over time. Further, the Authority has pledged to reach carbon neutrality at the Airport by 2045, consistent with City of Burbank and State of California goals. Carbon reductions will be measured on a per-passenger basis for emissions under the Authority’s control (known as Scope 1 and 2 emission sources) including fleet and heavy-duty vehicles, emergency generators, firefighting training, refrigerant losses, and purchased electricity. The Authority will strive to achieve these reductions through initiatives such as the clean fleets program, the sustainable design and construction program, and renewable energy projects. These advances toward sustainability will support the Authority’s objective to serve its guests while minimizing environmental impacts.

**Section 3. Effective Date.** This Resolution shall be effective upon adoption.

Adopted this 15<sup>th</sup> day of May, 2023.

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Emily Gabel-Luddy, President

Attest:

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Ara Najarian, Secretary

STATE OF CALIFORNIA                    )  
  ).  
COUNTY OF LOS ANGELES            )

I, Frank R. Miller, do hereby certify that the foregoing resolution was duly and regularly adopted by the Commissioners of the Burbank-Glendale-Pasadena Airport Authority at its regular meeting held on the \_\_ day of May 2023 by the following vote:

AYES:

NOES:

ABSENT:

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Frank R. Miller  
Assistant Secretary



# **Airport Carbon Accreditation Level 2 Emissions Reduction Target Statement**

Burbank-Glendale-Pasadena Airport Authority  
May 15, 2023



# Agenda

1. ACA Background
2. Emissions Reduction Target Statement
3. Next Steps
4. Schedule



# ACA Background - Purpose



“The aim of Airport Carbon Accreditation is to encourage and enable airports to implement best practices in carbon management and achieve emissions reductions”



MAPPING | REDUCTION | OPTIMISATION | NEUTRALITY



# ACA Background – Process (Level 2)



# Emissions Reduction Statement



The Burbank-Glendale-Pasadena Airport Authority (“Authority”) is committed in its efforts to reduce the environmental footprint of Hollywood Burbank Airport (“Airport”), integrate sustainable practices into Airport operations, and respond to community concerns while providing economic benefits to the region. The Authority is dedicated to reducing the Airport’s greenhouse gas emissions year after year to minimize the Airport’s carbon footprint over time. Further, the Authority has pledged to reach carbon neutrality at the Airport by 2045, consistent with City of Burbank and State of California goals. Carbon reductions will be measured on a per-passenger basis for emissions under the Authority’s control (known as Scope 1 and 2 emission sources) including fleet and heavy-duty vehicles, emergency generators, firefighting training, refrigerant losses, and purchased electricity. The Authority will strive to achieve these reductions through initiatives such as the clean fleets program, sustainable design and construction program, and renewable energy projects. These advances toward sustainability will support the Authority’s objective to serve its guests while minimizing environmental impacts.



# Next Steps

- Finalize Carbon Management Plan
- Complete greenhouse gas inventory
- Approve and publish Emissions Reductions Target Statement
- Submit draft ACA application to ACI-NA
- Complete third-party verification process
- Submit final application to ACI-NA
- Receive ACA approval
- Attend ACI-NA September 2023 accreditation ceremony in Long Beach





# Schedule



Task/Activity	JAN	FEB	MAR	APR	MAY	JUN	JUN	AUG	SEP
Data collection									
Develop emissions reduction policy									
Data compilation									
GHG Inventory									
Present ERTs to Authority									
GHG Inventory and Carbon Management Plan									
Draft application preparation									
Third-party verification									
Respond to comments and revise ACA application preparation									
Submit final application to ACI-NA									
ACI-NA national conference and ACA ceremony									



# Thank You!



**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MAY 15, 2023**

**ADOPTION OF DEBT MANAGEMENT POLICY**

Presented by Louis Choi  
Senior Managing Director  
Public Resources Advisory Group

**SUMMARY**

At its meeting held on May 1, 2023, the Finance and Administration Committee (“Committee”) voted unanimously (3-0) to recommend that the Commission adopt a Debt Management Policy (“Policy”), in the form set forth in Exhibit A of the attached proposed Resolution No. 502. The Policy is recommended to be in place before the Commission takes final action to authorize the issuance and sale of commercial paper notes as interim financing for the Replacement Passenger Terminal (“RPT”) project.

**BACKGROUND**

In its 2015-16 Regular Session, the Legislature passed SB 1029 to enact certain revisions to Government Code Section 8855. The revisions took effect in 2017. Among the revisions was a new requirement for all issuers of state and local government debt to adopt local debt policies containing specified provisions concerning the use of debt and to certify that each proposed debt issuance is consistent with the local debt policy. The revisions did not apply to previously issued debt.

The issuance of commercial paper notes by the Authority for the RPT project will be the first debt issued that must comply with the new requirement for a local debt policy.

**DETAILS**

Government Code Section 8855(i) requires debt issuers to file a Report of Proposed Debt Issuance (“Report”) with the California Debt Advisory Commission prior to issuance. Effective January 1, 2017, issuers must certify on the Report that they have adopted local debt policies required by SB 1029. The issuer’s local debt policies must include (A) through (E) below.

- (A) The purposes for which the debt proceeds may be used.
- (B) The types of debt that may be issued.
- (C) The relationship of the debt to, and integration with, the issuer’s capital improvement program or budget, if applicable.
- (D) Policy goals related to the issuer’s planning goals and objectives.
- (E) The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The accompanying Policy was prepared to comply with the specific provisions of Government Code 8855(i) as amended by SB 1029. The Policy is not intended to cover all

aspects of the Authority's debt management and debt administration activities. In adopting the proposed Policy, the Authority would then be able to represent that it has complied with the above provisions in the Government Code on the Reports for the commercial paper notes and future bond issues.

#### RECOMMENDATION

At its meeting held on May 1, 2023, the Committee voted unanimously (3-0) to recommend that the Commission adopt the Policy pursuant to the attached proposed Resolution No. 502.

## **RESOLUTION NO. 502**

### **A RESOLUTION OF THE BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY COMMISSION APPROVING A DEBT MANAGEMENT POLICY AND TAKING RELATED ACTIONS**

The Burbank-Glendale-Pasadena Airport Authority Commission resolves as follows:

#### Section 1. Findings.

A. The Burbank-Glendale-Pasadena Airport Authority ("Authority") has previously issued bonds and, from time to time, will issue additional bonds and other debt obligations (collectively, "Debt Obligations") for financing purposes, including for the financing of the Replacement Passenger Terminal Project.

B. For its Debt Obligations, the Authority must file certain reports with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855 ("Section 8855").

C. Under Section 8855, the Authority must file a report (the "Report of Proposed Debt Issuance") at least 30 days before the sale of an issue of Debt Obligations.

D. Under Section 8855, as amended in 2017, the Report of Proposed Debt Issuance must include a certification that the Authority has adopted a local debt policy and the contemplated Debt Obligations are consistent with such local debt policy.

E. Under Section 8855(i)(1), the local debt policy must include the following elements:

(i) The purposes for which the debt proceeds may be used;

(ii) The types of debt that may be issued;

(iii) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable;

(iv) Policy goals related to the issuer's planning goals and objectives; and

(v) The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

F. The Debt Management Policy (“Debt Policy”) attached as Exhibit A complies with the requirements of Section 8855(i)(1).

Section 2. Adoption of Debt Policy. The Debt Policy, as set forth in Exhibit A, is hereby approved and adopted. The Debt Policy will be applicable to Debt Obligations issued by the Authority.

Section 3. Actions to Implement Debt Policy Authorized and Ratified. The Executive Director, the Senior Deputy Executive Director, the Deputy Executive Director – Finance and Administration and all other officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution and to implement the Debt Policy and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 4. Effective Date. This Resolution shall be effective upon adoption. Adopted this 15th day of May, 2023.

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Emily Gabel-Luddy, President

Attest:

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Ara Najarian, Secretary



STATE OF CALIFORNIA            )  
  )ss.  
COUNTY OF LOS ANGELES    )

I, Frank R. Miller, do hereby certify that the foregoing resolution was duly and regularly adopted by the Commissioners of the Burbank-Glendale-Pasadena Airport Authority at its regular meeting held on the 15th day of May 2023, by the following vote:

AYES:

NOES:

ABSENT:

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Frank Miller  
Assistant Secretary

## **BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY DEBT MANAGEMENT POLICY**

This Debt Management Policy (the “Debt Policy”) of the Burbank-Glendale-Pasadena Airport Authority (the “Authority”) was approved by the Authority Commission on 5/15/2023. The Debt Policy may be amended by the Authority Commission as it deems appropriate from time to time in the prudent management of the debt of the Authority.

### **1. Policy Goals**

This Debt Policy is intended to comply with Government Code Section 8855(i) and shall govern all debt obligations undertaken by the Authority. In addition to complying with this Debt Policy, the Authority’s issuance of debt or incurrence of obligations must also comply with Joint Exercise of Powers Act (commencing with Section 6500 of the California Government Code) and that certain Amended and Restated Joint Exercise of Powers Agreement, dated as of September 15, 1991, as amended by the First Amendment to Amended and Restated Joint Exercise of Powers Agreement, dated as of November 25, 2003, as further amended by the Second Amendment to Amended and Restated Joint Exercise of Powers Agreement, dated as of January 10, 2017, each by and among the City of Burbank, the City of Glendale and the City of Pasadena.

The Authority Commission recognizes that a fiscally prudent debt policy is required in order to assist the pursuit of the following equally important planning goals and objectives:

- Minimize debt service and issuance costs;
- Maintain access to cost-effective borrowing;
- Achieve the highest practical credit rating;
- Full and timely repayment of debt;
- Maintain full and complete financial disclosure and reporting; and
- Ensure compliance with applicable laws.

### **2. Policies**

#### **A. Purposes for Which Debt Proceeds May Be Used**

(i) Long-Term Debt. Long-term debt may be issued to finance the capitalizable costs related to the design, construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the Authority.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed will provide benefit to the Authority over multiple years and it is appropriate to spread the project costs over more than one budget year; and
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not be considered appropriate for normal and recurring current operating expenses and routine maintenance expenses.

(c) The Authority may use long-term debt financings to fund capitalized interest, costs of issuance and required reserves, and any other financing related costs which may be legally capitalized.

(ii) Short-term debt. In general, short-term debt, such as commercial paper, lines of credit, and anticipation notes may be issued to provide an interim source of funding for a capital improvement prior to long-term borrowing, grants, or other revenues. Short-term debt may be issued for any purpose for which long-term debt may be issued.

(iii) Refinancing of outstanding debt. Periodic reviews of outstanding debt will be undertaken to identify whether debt service savings can be achieved by refinancing the debt. Refinancing will be considered (within federal tax law constraints) if and when there is a net economic benefit from the refinancing. Refinancings which are not economic may be undertaken to achieve objectives relating to changes in covenants, type of debt, operational flexibility, tax status, risk exposure, or debt service profile. In general, refinancings which produce a net present value savings of at least three percent of the refinanced debt and at least \$500,000 will be considered economically viable. Refinancings which produce lesser savings will be considered on a case-by-case basis. Refinancings with negative savings will not be considered unless there is a compelling operational objective that is accomplished by refinancing the debt. This paragraph (iii) shall only apply to refinancing of the Authority's long-term fixed rate bonds that are redeemed or defeased in advance of their scheduled maturity and shall not apply to the refinancing of commercial paper notes, bond anticipation notes, balloon indebtedness, loan agreements or other similar debt instruments.

## **B. The Types of Debt that may be Issued**

The Authority may issue debt that is solely repayable from the specific revenue sources identified in the borrowing documents. Authority debt will not constitute a debt of the Cities of Burbank, Glendale or Pasadena. The Authority has no taxing power.

The debt instruments that may be considered include, but are not limited to, airport revenue bonds, commercial paper notes, passenger facility charge revenue bonds, customer facility charge revenue bonds, grant anticipation notes, revenue anticipation notes, bond anticipation notes, special facility revenue bonds, and loan programs offered by federal, state and local government.

### **C. Integration of Debt with Airport Capital Improvement Program and Budget**

Prior to issuance of any debt obligation the Authority will determine the source of revenues to be used for repayment of the obligation. The project or purpose for the debt issuance should be included within the Airport Capital Improvement Program and capital budget. Funds sufficient to make annual debt service payments must be included in subsequent years' operating budgets.

### **D. Internal Control Procedures**

When issuing debt, in addition to complying with the terms of this Debt Policy, the Authority shall comply with any other applicable policies regarding post-issuance compliance, annual reporting requirements and investment of bond proceeds as set forth in the applicable debt issuance and loan agreements and under federal and state law.

The Authority will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under Securities and Exchange Commission Rule 15c2-12;
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- any state law reporting requirements, including for example compliance with Government Code Section 8855(k); and
- all covenants and reporting requirements contained in the Authority's bond indentures, loan agreements, reimbursement agreements and similar documents.

The Authority will ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the Authority will submit written requisitions for such proceeds.

The Authority shall maintain and retain records of all expenditures of debt proceeds, official statements and other bond disclosure documents, bond resolutions and transcripts through 10 years after the final payment date for the debt.

The Authority is committed to full and complete primary (initial issuance) and secondary (post issuance) market disclosure in accordance with disclosure requirements established by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board, as may be amended from time to time. The Authority is also committed to be responsive to bond credit rating agencies, institutional and individual investors, lenders and other creditors and the general public to provide timely and accurate financial information.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MAY 15, 2023**

**REPLACEMENT PASSENGER TERMINAL PROJECT  
SELECTION OF  
COMMERCIAL PAPER PROGRAM LETTER OF CREDIT BANKS, DEALER AND  
ISSUING AND PAYING AGENT**

Presented by Louis Choi  
Public Resources Advisory Group

**SUMMARY**

Over the past few months, Staff and the financing team have been developing the Authority's commercial paper ("CP") program to provide interim financing to support the development of the Replacement Passenger Terminal ("RPT") project. As part of that effort, qualified financial institutions have been solicited to serve various roles necessary to implement the CP program.

At its meeting held on May 1, 2023, the Finance and Administration Committee ("Committee") voted unanimously (3-0) to recommend that the Commission approve the selection of Barclays Bank and Sumitomo Mitsui Bank Corporation as letter of credit ("LOC") providers, Barclay Capital Inc., as the CP dealer and Zions Corporate Trust as the issuing and paying agent for the Authority's CP program to provide the interim financing in support of the RPT project.

**BACKGROUND**

Staff has been developing a plan of finance to fund the design and construction of the RPT project. The plan includes having a CP program to serve as an interim financing vehicle, as well as other more permanent sources of funding, such as operating revenues, Passenger Facility Charge ("PFC") revenues, Airport Improvement ("AIP") grants, Bipartisan Infrastructure Law ("BIL") grants, the Authority's Facility Development Reserve, federal loans, and general airport revenue bonds ("GARBs"). The CP program is well-suited to meet the interim needs of the plan of finance. It is a flexible component designed to bridge the funding gap before many of the other sources of funds become available. With award of a design-build agreement to the Holder Pankow Tec Joint Venture ("HPTJV") team and Phase 1 underway, fees are being incurred for design and planning services to advance the design of the RPT to the 60% level and the generation of the Guaranteed Maximum Price ("GMP") of the project. Additionally, planning is occurring for potential preconstruction work.

Under the CP Program, the Authority will issue tranches of short-term notes which, as they mature and become due, will be refunded (or "rolled") by replacement tranches of new notes. The "rolling" will continue until the Authority issues GARBs or uses other means to retire all the notes. On each date that principal and interest are due on the CP notes, payments to the noteholders will be made from a draw on a credit support facility, in the form of an LOC to be issued by a financial institution (usually a large commercial bank). The



Authority will then reimburse the LOC provider for the draw using proceeds from the sale of refunding CP notes (or other available funds, such as proceeds from GARBs or other permanent financing). Thus, potential investors will view the LOC provider's credit strength as a key factor in whether to buy the Authority's CP notes.

As such, to fully implement a CP program, it is necessary to engage the services of financial institutions and special service providers. First, the Authority must select one or more financial institutions to provide the LOCs. Second, the Authority needs to engage a "CP dealer." The CP dealer is usually an investment bank, which will assist with the marketing of the CP notes, and in such capacity, help determine the terms (i.e., the interest rates and the maturity dates) of the CP notes. Third, the Authority will appoint an "issuing and paying agent." The role of issuing and paying agent is usually served by the trust department of a commercial bank, which will administer the flow of funds among the noteholder, the LOC provider, the CP dealer and the Authority.

The terms of the Authority's CP program will be formally memorialized in legal agreements between the Authority and:

- (i) the LOC providers;
- (ii) the CP dealer and
- (iii) the issuing and paying agent.

The forms of these legal agreements will be submitted to the Committee and the Commission for review and approval at a future meeting.

#### DETAILS

Beginning in December 2022, Staff, with the assistance of municipal advisor Public Resources Advisory Group ("PRAG") and bond counsel Orrick, Herrington & Sutcliffe LLP ("Orrick"), solicited qualified financial institutions and professionals to serve the roles of: (i) LOC provider(s), (ii) CP dealer and (iii) issuing and paying agent. The solicitations for the LOC providers and the CP dealer were conducted through open requests for proposals ("RFPs"). The solicitation for issuing and paying agent was through a more limited request for bids as detailed below.

*LOC Provider.* The RFP for the LOC providers focused on (i) the terms and conditions for providing LOCs to the Authority for its CP program, (ii) the size and length of commitment (or tenor) of the offered LOC and (iii) the pricing of the offered LOC. The timeline for the RFP and the Staff and financing team evaluation process was as follows.

Activity	Timing
RFP issued	December 5, 2022
RFP addendum #1 posted	December 22, 2022
RFP questions/requests for clarification due	January 10, 2023
RFP addendum #2 posted	January 13, 2023
Proposal submission deadline	January 19, 2023
Evaluation completed	January 27, 2023
Best and final offer negotiation completed	January 30, 2023

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The Authority received over \$1 billion in LOC offers from eight different financial institutions. The precise terms and conditions varied. In addition, the proposals differed in size (the dollar amount available to be drawn upon under the LOC), tenor (term of the LOC in years) and pricing (expressed in basis points, or bps, 1 basis point equals 0.01% of the LOC size). The table below summarizes these different offers.

<b>Bank</b>	<b>Amount (\$mm)</b>	<b>Tenor (years)</b>	<b>Fee Range<sup>(1)</sup> (bps)</b>
Bank of America	50	2,3	50.0 – 55.0
Bank of the West	100	2,3,4,5	38.0 – 50.0
Barclays Bank	200	2,3,4,5	32.0 – 39.0
Citibank	100	2,3	45.0 – 49.0
Industrial & Commercial Bank of China	100	1,2,3	17.0 – 19.0
JPM Chase Bank	100 – 200	2,3,4,5	77.5 – 102.5 <sup>(2)</sup>
PNC Bank	100	2,3	48.0 – 55.0 <sup>(3)</sup>
Sumitomo Mitsui Banking Corp (SMBC)	200	3,4,5	32.0 – 38.0

(1) Fee range varies based on tenor.

(2) Pricing also varied based depending on \$100 versus \$200 million size for LOC.

(3) Pricing also varied based on deposit with provider.

Terms and conditions of the proposals were reviewed by Orrick and PRAG to determine if any specified term or condition would prohibit the Authority from engaging the proposer. Potentially undesirable terms and conditions were also flagged for later discussion and renegotiation. The proposals were then evaluated based on the pricing. As the cost of the CP program would consist of not only the proposed fee but also the trading level of the CP notes backed by the offered LOCs (the interest rate at which the CP notes will be sold), the pricing proposals were normalized to reflect the different trading levels associated with each LOC offer. The trading levels were obtained by PRAG as the average interest rate from surveys of four large CP dealers for a generic 60-day tax-exempt (subject to AMT) CP note as of the time of the evaluation. The estimated all-in costs are summarized in the following table.

Bank	All-in Estimated Cost <sup>(1)</sup> by tenor (in basis points)				
	1 year	2 year	3 year	4 year	5 year
Bank of America	--	274.88	274.88	278.15	282.15
Bank of the West	--	292.25	297.70	--	--
Barclays Bank	--	282.67	282.67	290.30	295.75
Citibank	--	286.80	291.16	--	--
Industrial & Commercial Bank of China	302.53	303.62	304.71	--	--
JPM Chase Bank	--	322.48	333.38	333.83	344.28
PNC Bank	--	278.67	286.30	--	--
Sumitomo Mitsui Banking Corp (SMBC)	--	--	274.88	278.15	281.42

(1) Includes amortization of fixed costs and gross up for principal plus interest at 12% (maximum interest rate) for 270 days and based on estimated levels are the time of evaluation.

(2) Based on offer for \$100 million capacity.

(3) Based on offer assuming \$100 million deposit with the LOC provider.

Based on these results, it was determined that obtaining 5-year LOCs for \$100 million in CP note principal each from Barclays Bank and SMBC at 39 and 38 basis points per annum of the LOC capacity, respectively, would offer the best value for the Authority. If the Authority elects a full 5-year tenor LOC for the program, the total cost would be \$425,100 and \$414,200 per year, respectively. Negotiations for best and final terms for previously flagged terms and conditions were undertaken to ensure that the Authority obtains the best available terms on these LOCs. These fees and other potential fees and costs will be detailed in each LOC bank's fee letter. Each fee letter will set forth the fee structure based on the Authority's credit rating (i.e., fee increase if the Authority's long-term credit ratings fall below designated levels), and other fees and costs, such as fees if the Authority terminates the LOC or reduces the LOC amount in the first two years, fee for each LOC draw, fee for document review and consent request and reimbursement of bank counsel cost.

The selection of both Barclays Bank and SMBC as LOC providers has additional benefits. First, it diversifies bank credit risk. The interest rates of CP notes will be based in part on the credit strength of the provider of the LOC which will help to secure them. By having two different banks provide LOCs, the Authority has the option to issue CP notes under one or the other bank depending on investor perception at the time of issuance if one of the LOC providers were in the future to experience negative investor perception or a distressing credit event. Also, Barclays Bank and SMBC represent different segments of the banking industry both geographically and in their lines of business. This will help to further diversify credit risk. Second, by accepting only a portion of the capacity offered by each LOC provider, the Authority may be able to preserve capacity for the potential expansion of the CP program with these same providers in the future.

Each of the LOC proposals provides that the Authority will reimburse bank counsel fees. Both Barclays Bank and SMBC will engage Chapman & Cutler as their LOC bank counsel. Chapman & Cutler is a leading law firm, experienced in municipal financings, including

serving as counsel to LOC providers. The cost of Chapman and Cutler's service is expected to be approximately \$50,000.

*CP Dealer.* The RFP for the CP dealers focused on (i) experience in California and airport public finance, (ii) experience with and systems for municipal issuer CP programs, (iii) marketing strategies and capabilities, including demonstrated willingness to commit capital, and (iv) the pricing of the offered services. The timeline for the RFP and the Staff and financing team evaluation process was as follows.

<b>Activity</b>	<b>Timing</b>
RFP issued	January 26, 2023
RFP questions/requests for clarification due	February 8, 2023
RFP addendum posted	February 14, 2023
Proposal submission deadline	February 23, 2023
Evaluation completed	March 3, 2023

The Authority received 10 proposals from interested CP dealers. Because CP dealer service fees are only assessed on the amount and duration of outstanding CP notes, cost is a significantly smaller factor in the overall value offered by the CP dealers than it is for the LOC providers. Therefore, CP dealer proposals were evaluated with a holistic approach, rather than primarily on cost. The responses related to each factor in the proposals were scored and weighted according to their importance for implementing the Authority's CP program. Additional consideration was given to firms that also provided LOC offers to the Authority. The final scores of the evaluation are summarized below.

<b>Firm</b>	<b>Score (1-10)</b>
Barclays	9.40
BofA Securities	8.25
Citigroup	8.90
Goldman Sachs	8.30
J.P. Morgan	8.40
Loop Capital	7.05
Morgan Stanley	7.90
Piper Sandler	5.50
Ramirez	6.25
RBC Capital	6.75

As shown in the above results, Barclays was the highest scoring firm. Its experience and capabilities in California public finance, airport public finance and with municipal CP programs, offered pricing and commitment to the Authority in the form of the offered LOC (discussed above) all support the recommendation of Barclays as the best firm to serve as CP dealer on the Authority's CP program. If the Authority expands the CP program in the future it may choose to appoint an additional CP dealer.

*Issuing and Paying Agent (IPA).* PRAG solicited quotes and relevant experience from six leading commercial bank trust departments to serve as IPA on the Authority's CP program. The solicited trust departments included BNY Corporate Trust (the current trustee on the

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Authority's outstanding GARBs), BOK Financial, ComputerShare (formerly, this trust department was a division of Wells Fargo Bank), UMB Financial, U.S. Bank Corporate Trust and Zions Corporate Trust. Among these, only two provided quotes for this service. Below is a breakdown of the estimated total fees and charges, based on their proposals and current estimates on the scale of the Authority's CP program.

<b>Bank</b>	<b>Acceptance Fee</b>	<b>Annual Fees<sup>(1)</sup></b>	<b>Legal Counsel<sup>(2)</sup></b>	<b>Estimated Total Cost<sup>(3)</sup></b>
U.S. Bank Corporate Trust	\$3,000	\$9,000	\$10,000	\$58,000
Zions Corporate Trust	\$2,500	\$3,000	\$0 <sup>(4)</sup>	\$17,500

(1) Based on expected number of monthly transactions with three series.

(2) Not-to-exceed amount.

(3) Based on 5-year term of the Authority's CP program.

(4) Waived, if using only internal counsel.

Based on the above estimated cost, Zions Corporate Trust would provide the best value to the Authority as IPA. Zions Corporate Trust has experience as IPA on municipal CP programs and has been ranked among the top 10 trust departments nationally in 2021 and 2022. In addition, PRAG contacted references provided by Zions Corporate Trust, each of which indicated that Zions Corporate Trust would provide good service to the Authority.

#### RECOMMENDATION

At its meeting held on May 1, 2023, the Committee voted unanimously (3-0) to recommend that the Commission approve the selection of Barclays Bank and Sumitomo Mitsui Bank Corporation as LOC providers, Barclays Capital, Inc. as the CP dealer and Zions Corporate Trust as the issuing and paying agent for the Authority's CP program to provide the interim financing in support of the RPT project.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MAY 15, 2023**

**APPOINTMENT OF SENIOR MANAGER AND TIFIA LOAN ARRANGER  
REPLACEMENT PASSENGER TERMINAL FINANCING PROGRAM  
INITIAL PHASE**

Presented by John T. Hatanaka  
Senior Deputy Executive Director

**SUMMARY**

Staff and the financing team (Public Resources Advisory Group and Ricondo & Associates) have been working to secure a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan from the United States Department of Transportation ("USDOT") to finance the Replacement Passenger Terminal ("RPT") project.

Citigroup Global Markets Inc. ("Citi") has provided important expertise with this effort over the past five years. Citi also is the investment banking firm most knowledgeable of the Authority's RPT project. Based on this, it is appropriate to formalize Citi's role within the overall financing program.

At its meeting held on May 1, 2023, the Finance and Administration Committee ("Committee") voted unanimously (3-0) to recommend that the Commission approve the appointment of Citi as the Authority's TIFIA loan arranger and senior manager of the underwriters for the first \$600 million of general airport revenue bonds ("GARBs") for the RPT project.

**BACKGROUND**

TIFIA loans have been used by municipal governments to finance large-scale surface transportation projects for many years for highways, mass transit, railroad, intermodal freight and port access. The terms of a TIFIA loan are generally more favorable than what could be obtained in the public municipal bond market. As part of the 2021 Infrastructure Investment and Jobs Act ("IIJA"), the authorized use of TIFIA loans was expanded to include funding of airport infrastructure.

With Citi's assistance, the Authority has submitted a draft letter of interest ("LOI") to the USDOT for a TIFIA loan for the RPT project. The size of the TIFIA loan, if approved, will depend on the determination of USDOT, through the Build America Bureau, on which components of the project will be eligible and to fund and how much money will be allocated to each component. The Authority's financing team estimates that, compared to other types of financing, securing the TIFIA loan could potentially save the Authority approximately \$82 to \$116 million, depending on different likely allocations of the TIFIA loan. Just as importantly, a TIFIA loan is expected to include more favorable financing terms, such as an extended amortization period, which could have an outsized impact on reducing annual debt service cost, thereby lowering the rates and charges needed to be levied on airlines serving the Airport, concessionaires as well as other tenants.



## DETAILS

While the authorization for TIFIA loans to be used for airports was enacted in November 2021, efforts to permit airports to gain access to the TIFIA loan program began years before for airports that (like Hollywood Burbank Airport) have intermodal connections such as passenger rail. Recognizing the opportunity that this form of low-cost financing could have for the RPT project, Staff sought to actively engage with USDOT well before the passage of the IIJA.

Because the TIFIA loan program had been widely used for surface transportation projects for many years, the program already had its own application process, legal and regulatory requirements, and an extensive group of USDOT personnel dedicated to its management. Recognizing this, Staff sought out financial experts who already had a deep understanding of the TIFIA loan program for assistance (i) to better understand it, and (ii) to leverage existing relationships to promote the Authority's case for a TIFIA loan.

Citi had previously served as the underwriter of the Authority's outstanding GARBs which were issued in 2012 to finance the Regional Intermodal Transportation Center and in 2015 to refinance then outstanding bonds which had been used, among other things, to acquire land adjacent to the Airport. Over the years, Citi has informally played the role of a TIFIA loan arranger for the Authority. Citi provided Staff with financial professionals who had helped other clients secure TIFIA loans for surface transportation projects and who were very familiar with the USDOT personnel that administered the TIFIA loan program and the loan application process.

Citi has, among other things: (i) educated Staff and the Authority's financing team on the TIFIA loan process and requirements, (ii) arranged meetings, at the Airport and in Washington D.C., with key USDOT decision-makers and personnel, (iii) advocated the importance of the expansion of TIFIA loan program to the airport sector more generally, and (iv) helped to introduce USDOT TIFIA personnel to the airport sector. These efforts helped to secure the Authority's place as one of the four inaugural applicants for a TIFIA loan under the expanded authorization through the IIJA. More recently, Citi led the efforts to develop the draft LOI process and to prepare the draft LOI that was submitted to the USDOT.

Citi has undertaken all of these efforts without any remuneration or expense reimbursement. Staff has been in discussion with Citi about compensation for its important role. The Committee concurred with the recommendation by Staff and the financing team that Citi be appointed both the TIFIA loan arranger and senior manager for the inaugural issue of long-term GARBs for the RPT project. This appointment helps to amortize the cost of these past efforts. As senior manager of the long-term GARBs, Citi would be the primary investment banking firm to market the bonds to investors. Citi is well-qualified to serve as the senior manager for the first issuance of the Authority's GARBs for the RPT project, being ranked #2, #2 and #4 for negotiated underwritings nationally in 2020, 2021 and 2022, respectively, and having completed numerous airport financings across the country. Staff anticipates that other banking firms will be appointed as co-managers to assist in marketing the inaugural issue of GARBs once the size and structure of that financing are better known.

The scope of Citi's services is detailed in the attached Engagement Letter. As compensation, Citi will receive: (i) for services as the TIFIA Loan arranger, a flat fee of \$750,000 (payable upon the issuance of the GARBs from the proceeds of the GARBs) and (ii) as the senior manager of the underwriters for the first \$600,000,000 of GARBs, 60% of the total underwriting commission payable to the underwriter syndicate for such GARBS. Such underwriting commission will be negotiated between the Authority and Citi, and will be based on market conditions at the time of sale of the GARBs. The selection of senior managers for later GARB issuances and other underwriting syndicate members will take place in the future and be returned to the Committee and the Commission for review at that time.

The Authority will issue the GARBS under the Marks-Roos Local Bond Pooling Act (Government Code Sections 6584 *et seq.*). Under the Local Bond Pooling Act, the Authority may sell the GARBS to a pre-selected underwriter without a competitive bidding process. Government Code Section 5956.5 (which pertains to agreements for certain infrastructure projects) also permits the Authority to contract with a private entity without undergoing competitive bidding. Because of the complexity of this financing, it is beneficial for the Authority to work with a pre-selected senior manager for the inaugural issue the GARBs. Citi has the requisite expertise and experience. Under the Engagement Letter, the Authority may select additional investment banks to be part of the underwriting team, though Citi will serve as the senior manager for the first \$600 million of the GARBs. For GARBS after the first \$600 million, the Authority will decide whether to continue using Citi an underwriter (or even if so, whether as a senior manager) based on the Authority's evaluation when the Authority is ready to proceed with such additional GARBS.

### RECOMMENDATION

At its meeting held on May 1, 2023, the Committee voted unanimously (3-0) to recommend that the Commission appoint Citi to serve as TIFIA loan arranger and senior manager for the first \$600 million (the expected sized of the inaugural issue) of GARBs for the RPT project pursuant to the terms of the Engagement Letter.



April 24, 2023

Mr. Frank Miller  
Executive Director  
Burbank-Glendale-Pasadena Airport Authority  
2627 North Hollywood Way  
Burbank, CA 91505

Dear Mr. Miller:

Citigroup Global Markets Inc. is pleased to confirm our appointment by the Burbank-Glendale-Pasadena Airport Authority (the "Authority") as senior managing underwriter for the first \$600,000,000 of general airport revenue bonds ("GARBs") issued to finance the Replacement Passenger Terminal Project (the "Project") at Hollywood Burbank Airport. As used herein "Citigroup" shall mean Citigroup Global Markets Inc. and/or any affiliate thereof as we determine appropriate to perform the services described herein.

**Scope of Engagement.** As senior managing underwriter Citigroup will provide underwriting services which are consistent with an offering of GARBs of the nature contemplated by the Authority and will also continue to assist the Authority in obtaining a Transportation Infrastructure Finance and Innovation Act loan ("TIFIA Loan") from the United States Department of Transportation ("USDOT") under the Infrastructure Investment and Jobs Act (collectively, the "Services"). Citigroup's scope of Services is set forth in further detail below

#### Services Related to Issuance of GARBs

- Review the commercial and financial structure of the Project and advise on the applicability and market acceptance of the structure and the applicable cost of capital for the GARBs;
- Assist the Authority, its legal counsel and other advisors in structuring the debt financing terms and conditions for the GARBs, including master indenture provisions, bond covenants, representations and warranties, collateral package, reserves and flow of funds;
- Attend all working group meetings either in person or virtually with the Authority, its legal counsel and other advisors;
- Prepare from time to time and as requested by the Authority or its advisors sample interest rates and financing structures for the GARBs for the Authority's review;
- Assist the Authority, its legal counsel and other advisors in preparing the offering documents for the GARBs;
- Lead the underwriting and marketing of the GARBs including, but not limited to, conducting a comprehensive marketing and investor outreach program and the pricing and sale of the GARBs;
- Assist the Authority, its legal counsel and other advisors in developing a rating agency strategy, preparing required rating presentation material, coordinating any required rating agency meetings, answering follow up questions from rating analysts and obtaining the required credit ratings;
- Assist the Authority, its legal counsel and other advisors in the closing of the issuance of the GARBs; and

- Preparing any post issuance analysis including a summary of the investors that purchased the GARBs.

#### TIFIA Loan

- Manage the process and workflow between the Authority and USDOT, including development of a financing schedule and coordinating all interaction between the Authority, its legal counsel and its advisors and USDOT;
- Develop the credit structure, provide guidance on ratings approach and prepare presentation materials for both the indicative ratings and final ratings;
- Assist in the drafting and review of the letter of interest, loan application, loan agreement and related documents;
- Work with the Authority and its counsel to review the terms and conditions of the TIFIA Loan agreement and related documentation; and
- Prepare and review financial models for the Authority for its TIFIA Loan and any related financing, including a comprehensive capital program analysis and the evaluation of the use of “bond anticipation notes” to TIFIA Loan structure.

In addition to the above services Citigroup will also provide the Authority with any other assistance in connection with the issuance of the GARBs and obtaining the TIFIA Loan as requested by the Authority including attending any required meetings of the Authority Commission.

**Fees and Expenses.** For Citigroup’s services hereunder, the Authority will pay to Citigroup:

- (i) In connection with the issuance of the GARBs, a gross underwriting commission or “takedown” to be mutually agreed upon by Citigroup and the Authority based on prevailing market conditions at the time of issuance of the GARBs with Citigroup to receive no less than 60% of the total underwriting commission payable to the underwriting syndicate for the initial \$600,000,000 of GARBs issued for the RPT. The underwriting commission will payable upon issuance of the GARBs from the proceeds thereof.
- (ii) A management fee of \$750,000 payable upon issuance of the GARBs from the proceeds thereof.

The Authority will be responsible for all expenses relating to the financing of the Project, including, without limitation, fees and expenses of the Authority’s counsel, auditors and other advisors, and, as applicable, fees and expenses of Citigroup’s counsel, printing costs, roadshow expenses, rating agency fees, and any other fees or expenses relating to the application for or negotiation and documentation of the TIFIA Loan. Regardless of whether the GARBs are issued, the Authority will promptly reimburse Citigroup, from time to time upon request, for all reasonable travel and other expenses incurred in performing its services hereunder, including reasonable fees and expenses of its legal counsel. All payments due under this agreement are to be made in U.S. Dollars, free and clear of any set-off, claim or applicable taxes (with appropriate gross-up for withholding taxes). Citigroup will consult with the Authority with respect to the retention of its

counsel and the Authority will have the right to approve the selection of Citigroup's counsel (including billing rates) such approval not to be unreasonably withheld. In addition, once Citigroup's counsel has been retained Citigroup will provide the Authority with periodic reporting of the fees and expenses accrued by its counsel such reporting to occur no more frequently than monthly.

**Conditions.** This agreement is not a commitment, express or implied, on the part of Citigroup to underwrite or purchase the GARBs, arrange the TIFIA Loan or to commit any capital, nor does it obligate us to enter into an underwriting agreement or similar commitment to finance. Citigroup's underwriting the GARBs will be subject to, among other things, (i) satisfactory completion of all documentation for the GARBs (including an official statement and bond purchase agreement); (ii) satisfactory completion of a customary due diligence review; (iii) in our determination, the absence of any material adverse change in the financial markets or in the financial condition, operations or prospects of the Authority and the Project; (iv) receipt of all required governmental and other approvals and appropriate legal opinions, including a 10b-5 disclosure opinion from counsel acceptable to Citigroup; and (v) approval of our internal commitment committee (if required).

**Use of Information.** The Authority recognizes and confirms that Citigroup in acting pursuant to this engagement will be using publicly available information and information in reports and other materials provided by others, including, without limitation, information provided by or on behalf of the Authority, and that Citigroup does not assume responsibility for and may rely, without independent verification, on the accuracy and completeness of any such information. In addition, Citigroup shall not have any responsibility for the assumptions used in developing or otherwise contained in the Authority's financial model. The Authority hereby warrants that information describing the Authority, the Airport and the Project in any disclosure document or other offering materials for the TIFIA Loan or the GARBs ("Offering Materials") will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in the light of circumstances under which they were made, not misleading. The Authority shall provide (or cause to be provided) drafts of Offering Materials to Citigroup and shall cooperate to make such modifications as Citigroup may reasonably request before publication or posting of any Offering Material. The Authority agrees to provide Citigroup with (a) prompt notice of any material development affecting the Authority or the Project or the occurrence of any event or other change known to the Authority that could result in the Offering Materials containing an untrue statement of a material fact or omitting to state any material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and (b) an amendment or supplement to the Offering Materials that will correct such statement or omission. The Authority also agrees to provide Citigroup (i) copies of any financial reports as soon as reasonably practicable, and (ii) such other information concerning the business and financial condition of the Authority and the Project as Citigroup may from time to time reasonably request.

**Certain Acknowledgments.** The Authority acknowledges that Citigroup has been retained hereunder solely as an arranger and underwriter, and not as an adviser to or agent of the Authority or in any other capacity, including as a municipal advisor or fiduciary. The primary role of Citigroup, as an underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Authority and Citigroup. In its role as underwriter, Citigroup has financial and other interests that differ from those of the Authority. Citigroup is not acting as a municipal advisor, financial advisor or fiduciary to the Authority or any other person or entity in

connection with this engagement. The Authority should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. The Authority should consider whether to engage an advisor to act in a fiduciary capacity on its behalf in connection with the Services.

Citigroup may, to the extent it deems appropriate, render the Services through one or more of its affiliates. Neither this engagement, nor the delivery of any service in connection with this engagement, is intended to confer rights upon any persons not a party hereto (including security holders, employees or creditors of the Authority) as against Citigroup or any of its affiliates or its or their respective directors, officers, agents and employees. Citigroup may, at its own expense, place announcements or advertisements in financial newspapers, journals and marketing materials describing the Services.

The Authority acknowledges that it is not relying on the advice of Citigroup for tax, legal, or accounting matters, that it is seeking and will rely on the advice of its own professionals and advisors for such matters and that it will make an independent analysis and decision regarding the Services based upon such advice. The Authority agrees that it will determine, without reliance upon Citigroup or its affiliates, the economic risks and merits, as well as the legal, regulatory, tax and accounting characterizations and consequences, of the transactions herein, and that it is capable of assuming the risks of entering into the transactions described herein. The Authority acknowledges that Citigroup is not in the business of providing tax advice, that the Authority has received tax advice from its own tax advisors with appropriate expertise to assess any tax risks and that its senior executives at appropriate management positions have been apprised of such tax advice (and, if applicable, any tax risks) and Citigroup's disclaimers relating to tax matters.

The Authority hereby agrees that, prior to the consummation of the offering of the GARBs or the termination of this agreement (whichever is earlier), it will not otherwise access the domestic or international debt capital markets with securities similar to the GARBs or arrange a loan or other financing in connection with the Project without Citigroup's prior written consent.

**Indemnity.** The Authority agrees to indemnify Citigroup as provided in Annex A hereto, the terms of which are incorporated into this agreement in their entirety.

**Termination of Engagement.** This agreement may be terminated by Citigroup at any time or by the Authority at any time after 180 days from the date hereof upon written notice; provided, however, the Authority can terminate this agreement at any time for cause should Citigroup fail to provide the Services as described above. No termination will affect the matters set out in this section or under the captions "Use of Information," "Certain Acknowledgments," "Indemnity", "Governing Law; Jurisdiction" and "Miscellaneous." It is expressly agreed that following the termination of this agreement, Citigroup will continue to be entitled to receive fees as described above that have accrued prior to such expiration or termination but are unpaid, as well as reimbursement for expenses as contemplated above.

**Governing Law; Jurisdiction.** This agreement is governed by the laws of the State of California, and will be binding upon and inure to the benefit of the Authority and Citigroup and their respective successors and assigns. The Authority and Citigroup agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of either party with respect to any

matter whatsoever relating to or arising out of any actual or proposed transaction or the engagement of or performance by Citigroup hereunder.


**Patriot Act Compliance.** Citigroup hereby notifies the Authority that pursuant to the requirements of the USA PATRIOT ACT (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow Citigroup to identify the Authority in accordance with the Patriot Act. In that connection, Citigroup may also request corporate formation documents, or other forms of identification, to verify information provided.

**Miscellaneous.** This agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. This agreement may not be assigned except with the written consent of each party hereto.

Citigroup is delighted to accept this engagement and looks forward to working with the Authority on this matter. Please confirm that the foregoing is in accordance with the Authority's understanding of our agreement by signing and returning to us a copy of this letter.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By:  \_\_\_\_\_  
Robert J. DeMichiel  
Managing Director

Accepted and agreed to as of the date set forth above:

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

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



## Annex A

In connection with the engagement of Citigroup to assist the Authority as described in the attached engagement letter (the “engagement”), the Authority agrees that it will indemnify and hold harmless Citigroup and its affiliates and its and their respective directors, officers, agents and employees and each other person controlling Citigroup or any of its affiliates (each, an “indemnified party”), to the full extent lawful, from and against any losses, expenses, claims or proceedings (collectively, “Losses”) related to or arising out of a negligent or wrongful act of the Authority in connection with the engagement or any transaction or conduct in connection therewith.

In the event that the foregoing indemnity is unavailable, the Authority agrees to contribute to any Losses in such proportion as to reflect the relative benefits received by Citigroup, on the one hand, and by the Authority and its security holders, on the other hand. If such allocation is unavailable, the Authority shall contribute to any Losses in such proportion as to reflect the relative benefits set forth above, and the relative fault of Citigroup and the Authority in connection with the statements, omissions or other conduct that resulted in such Losses, as well as any other relevant equitable considerations. Benefits received by the Authority and its security holders shall be deemed to be equal to the aggregate cash consideration and value of securities or any other property payable, issuable, exchangeable or transferable in such transaction or proposed transaction, and benefits received by Citigroup shall be deemed to be equal to the compensation paid by the Authority to Citigroup in connection with the engagement (exclusive of amounts paid for reimbursement of expenses or paid under this Annex). Relative fault shall be determined by reference to, among other things, whether any alleged untrue statement or omission or any other alleged conduct relates to information provided by the Authority or other conduct by the Authority (or its employees or other agents), on the one hand, or by Citigroup, on the other hand. Citigroup and the Authority agree that it would not be just and equitable if contribution were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding anything to the contrary above, in no event shall Citigroup be responsible under this paragraph for any amounts in excess of the amount of the compensation actually paid by the Authority to Citigroup in connection with the engagement.

The Authority agrees that it will not, without the prior written consent of Citigroup, settle any pending or threatened claim or proceeding related to or arising out of the engagement or any actual or proposed transactions or other conduct in connection therewith (whether or not Citigroup or any indemnified party is a party to such claim or proceeding) unless such settlement (i) includes a provision unconditionally releasing Citigroup and each other indemnified party from all liability in respect of claims by any releasing party related to or arising out of the engagement or any transactions or conduct in connection therewith and (ii) does not include a statement as to or admission of, fault, culpability or a failure to act by or on behalf of any such indemnified party. The Authority will also promptly reimburse each indemnified party for all reasonable expenses (including reasonable counsel fees and expenses) as they are incurred by such indemnified party in connection with investigating, preparing for, defending, or providing evidence in, any pending or threatened claim or proceeding in respect of which indemnification or contribution may be sought hereunder or in enforcing this Annex.

The foregoing provisions are in addition to any rights the Authority or Citigroup may have at common law or otherwise and shall be binding on and inure to the benefit of any successors,

assigns, and personal representatives of the Authority and each indemnified party. Solely for purposes of enforcing the provisions of this Annex, the Authority hereby consents to personal jurisdiction, service of process and venue in any court in which any claim or proceeding that is subject to this Annex is brought against Citigroup. The provisions of this Annex shall remain in full force and effect notwithstanding the completion or termination of the engagement.

## Hollywood Burbank Airport

REVENUE PASSENGERS	March			January - March		
Signatory Airlines	2023	2022	% Change	2023	2022	% Change
Alaska Airlines	52,403	25,238	107.64%	128,673	80,935	58.98%
American Airlines	42,491	29,780	42.68%	108,684	74,478	45.93%
Avelo Airlines	27,516	35,016	-21.42%	68,314	83,953	-18.63%
Delta Airlines	13,015	16,285	-20.08%	37,406	41,053	-8.88%
Flair Airlines	0	987	-100.00%	0	1,754	-100.00%
JetBlue Airways	6,261	13,867	-54.85%	17,911	30,140	-40.57%
Southwest Airlines	321,348	331,679	-3.11%	835,661	779,842	7.16%
Spirit Airlines	14,857	8,072	84.06%	43,783	20,724	111.27%
United Airlines	16,405	11,583	41.63%	53,314	31,876	67.25%
<b>Non-Signatory Airlines</b>						
Frontier Airlines	0	8,537	-100.00%	5,482	26,371	-79.21%
<b>Total Revenue Passengers</b>	<b>494,296</b>	<b>481,044</b>	<b>2.75%</b>	<b>1,299,228</b>	<b>1,171,126</b>	<b>10.94%</b>
Inbound (deplaned)	247,635	240,810	2.83%	649,811	585,529	10.98%
Outbound (enplaned)	246,661	240,234	2.68%	649,417	585,597	10.90%

AIRCRAFT OPERATIONS	March			January - March		
	2023	2022	% Change	2023	2022	% Change
<b>Landings &amp; Takeoffs</b>						
Air Carrier	5,249	5,288	-0.74%	14,786	15,070	-1.88%
Air Taxi	2,214	1,893	16.96%	6,412	5,316	20.62%
General Aviation	1,620	2,335	-30.62%	5,139	6,660	-22.84%
Military Itinerant	49	23	113.04%	92	82	12.20%
<b>Subtotal</b>	<b>9,132</b>	<b>9,539</b>	<b>-4.27%</b>	<b>26,429</b>	<b>27,128</b>	<b>-2.58%</b>
<b>Pass Through BUR Airspace</b>						
Civil Local	2,190	2,719	-19.46%	5,505	7,186	-23.39%
Military Local	0	0	N/A	0	0	N/A
<b>Subtotal</b>	<b>2,190</b>	<b>2,719</b>	<b>-19.46%</b>	<b>5,505</b>	<b>7,186</b>	<b>-23.39%</b>
<b>Total Aircraft Operations</b>	<b>11,322</b>	<b>12,258</b>	<b>-7.64%</b>	<b>31,934</b>	<b>34,314</b>	<b>-6.94%</b>

**Air Carrier:** Scheduled commercial air carrier operations; including cargo operators

**Air Taxi:** Smaller aviation operators such as charters, commuter carriers or on-demand operators

**General Aviation:** Civil aviation operations for personal use

**Military Itinerant:** Military aviation activities

**Civil Local:** Civil aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR

**Military Local:** Military aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR

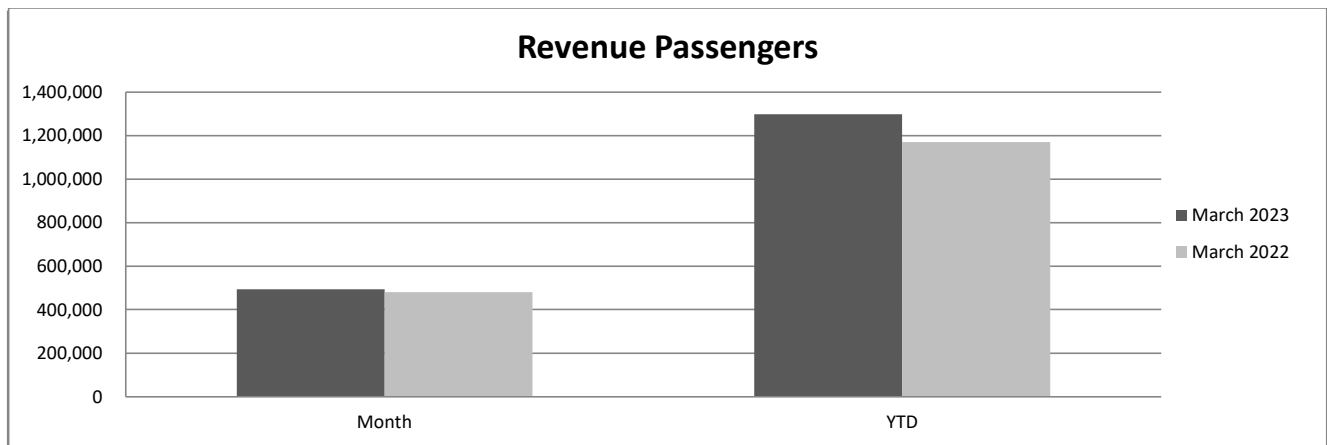
# Hollywood Burbank Airport

## AIR CARGO (lbs.)

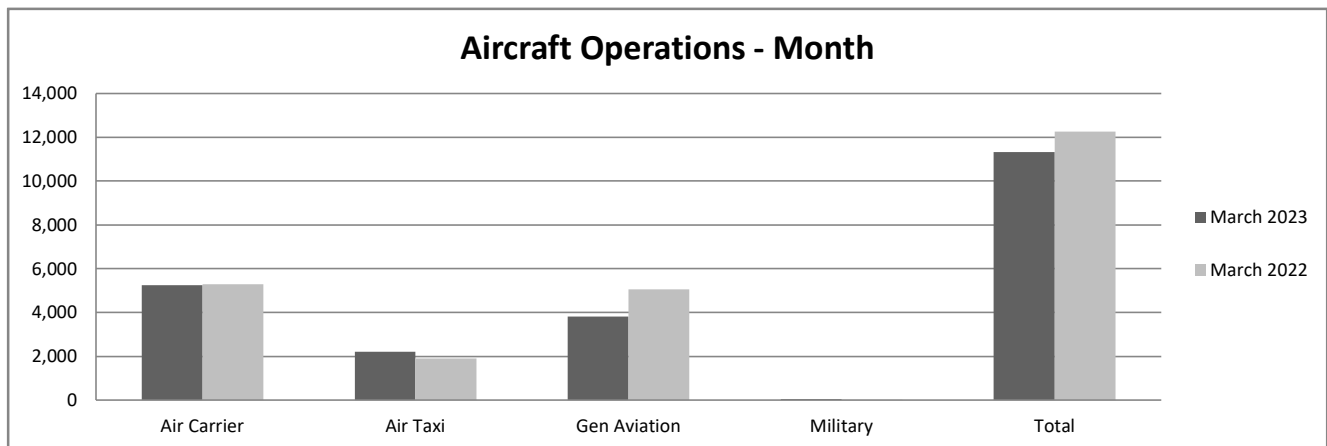
	March			January - March		
	2023	2022	% Change	2023	2022	% Change
<b>Signatory Airlines</b>						
Alaska Airlines	2,172	264	722.73%	6,415	2,092	206.64%
American Airlines	0	0	N/A	0	310	-100.00%
Avelo Airlines						
Delta Airlines						
Flair Airlines						
JetBlue Airways						
Southwest Airlines	103,648	319,575	-67.57%	248,542	864,990	-71.27%
Spirit Airlines						
United Airlines	0	0	N/A	65	0	N/A
<b>Non-Signatory Airlines</b>						
Frontier Airlines						
<b>Other Scheduled Carriers</b>						
Federal Express	2,930,574	4,471,002	-34.45%	7,767,226	11,321,774	-31.40%
United Parcel Service	3,326,288	4,469,277	-25.57%	9,796,139	12,007,982	-18.42%
<b>Charter/Contract Carriers</b>						
Ameriflight	149,723	187,606	-20.19%	430,803	518,171	-16.86%
<b>Total Air Cargo</b>	<b>6,512,405</b>	<b>9,447,724</b>	<b>-31.07%</b>	<b>18,249,190</b>	<b>24,715,319</b>	<b>-26.16%</b>
Inbound (deplaned)	3,265,414	4,687,861	-30.34%	9,285,809	12,322,062	-24.64%
Outbound (enplaned)	3,246,991	4,759,863	-31.78%	8,963,381	12,393,257	-27.68%

## MAIL (lbs.)

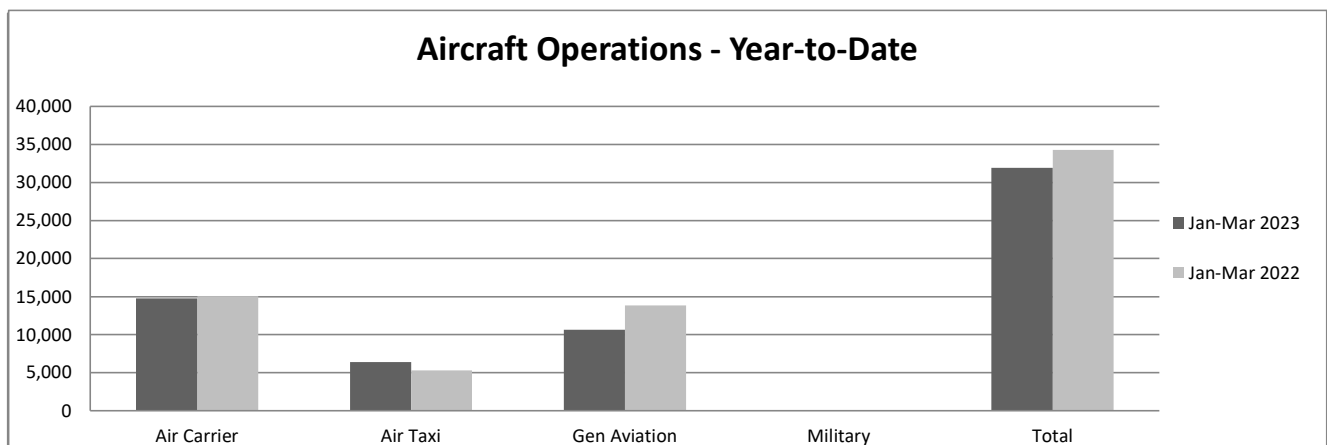
	January			January - March		
	2023	2022	% Change	2023	2022	% Change
	0	0	N/A	0	0	N/A
<b>Total Mail</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
Inbound (deplaned)	0	0	N/A	0	0	N/A
Outbound (enplaned)	0	0	N/A	0	0	N/A



Revenue Passengers	Month	YTD
March 2023	494,296	1,299,228
March 2022	481,044	1,171,126
% Change	2.75%	10.94%



Aircraft Operations - MO	Air Carrier	Air Taxi	Gen Aviation	Military	Total
March 2023	5,249	2,214	3,810	49	11,322
March 2022	5,288	1,893	5,054	23	12,258
% Change	-0.74%	16.96%	-24.61%	113.04%	-7.64%



Aircraft Operations - YTD	Air Carrier	Air Taxi	Gen Aviation	Military	Total
Jan-Mar 2023	14,786	6,412	10,644	92	31,934
Jan-Mar 2022	15,070	5,316	13,846	82	34,314
% Change	-1.88%	20.62%	-23.13%	12.20%	-6.94%

# Hollywood Burbank Airport

## REVENUE PASSENGERS

	March			January - March*		
Signatory Airlines	2023	2019	% Change	2023	2019	% Change
Alaska Airlines	52,403	44,415	17.98%	128,673	122,607	4.95%
American Airlines	42,491	15,332	177.14%	108,684	79,047	37.49%
Avelo Airlines	27,516	0	N/A	68,314	0	N/A
Delta Airlines	13,015	13,355	-2.55%	37,406	54,950	-31.93%
Flair Airlines	0	0	N/A	0	0	N/A
JetBlue Airways	6,261	20,661	-69.70%	17,911	59,269	-69.78%
Southwest Airlines	321,348	342,758	-6.25%	835,661	985,237	-15.18%
Spirit Airlines	14,857	0	N/A	43,783	19,832	120.77%
United Airlines	16,405	23,308	-29.62%	53,314	76,308	-30.13%
<b>Non-Signatory Airlines</b>						
Frontier Airlines	0	0	N/A	5,482	0	N/A
<b>Total Revenue Passengers</b>	<b>494,296</b>	<b>459,829</b>	<b>7.50%</b>	<b>1,299,228</b>	<b>1,397,250</b>	<b>-7.02%</b>
Inbound (deplaned)	247,635	230,569	7.40%	649,811	698,214	-6.93%
Outbound (enplaned)	246,661	229,260	7.59%	649,417	699,036	-7.10%

## AIRCRAFT OPERATIONS

	March			January - March*		
	2023	2019	% Change	2023	2019	% Change
<b>Landings &amp; Takeoffs</b>						
Air Carrier	5,249	5,015	4.67%	14,786	15,565	-5.00%
Air Taxi	2,214	1,730	27.98%	6,412	5,771	11.11%
General Aviation	1,620	2,400	-32.50%	5,139	7,484	-31.33%
Military Itinerant	49	28	75.00%	92	113	-18.58%
<b>Subtotal</b>	<b>9,132</b>	<b>9,173</b>	<b>-0.45%</b>	<b>26,429</b>	<b>28,933</b>	<b>-8.65%</b>
<b>Pass Through BUR Airspace</b>						
Civil Local	2,190	2,716	-19.37%	5,505	6,736	-18.27%
Military Local	0	0	N/A	0	0	N/A
<b>Subtotal</b>	<b>2,190</b>	<b>2,716</b>	<b>-19.37%</b>	<b>5,505</b>	<b>6,736</b>	<b>-18.27%</b>
<b>Total Aircraft Operations</b>	<b>11,322</b>	<b>11,889</b>	<b>-4.77%</b>	<b>31,934</b>	<b>35,669</b>	<b>-10.47%</b>

**Air Carrier:** Scheduled commercial air carrier operations; including cargo operators

**Air Taxi:** Smaller aviation operators such as charters, commuter carriers or on-demand operators

**General Aviation:** Civil aviation operations for personal use

**Military Itinerant:** Military aviation activities

**Civil Local:** Civil aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR.

**Military Local:** Military aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR

\* 2019 Year-to-Date numbers include January and February 2020, and March 2019 totals.

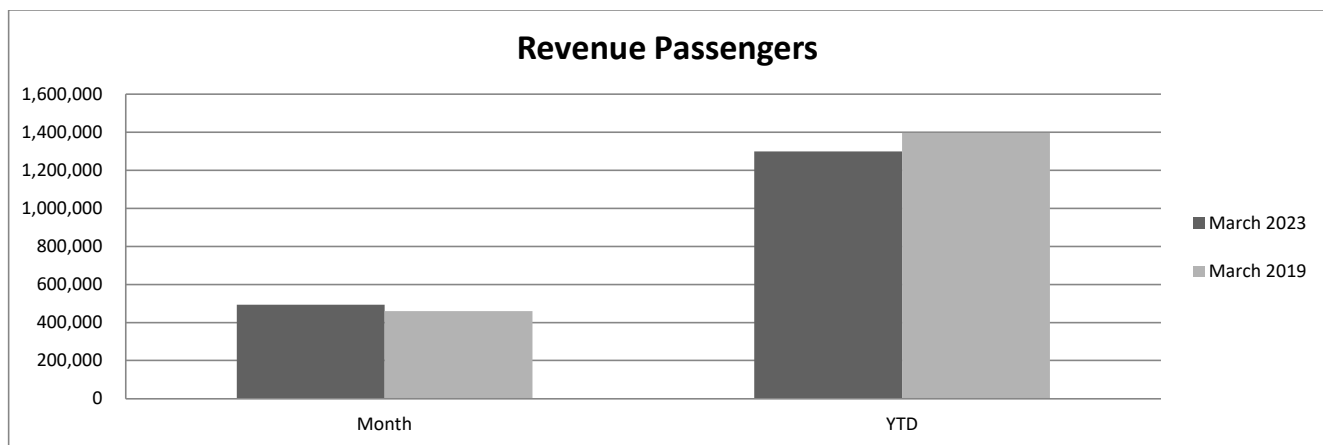
# Hollywood Burbank Airport

<b>AIR CARGO (lbs.)</b>	<b>March</b>			<b>January - March*</b>		
<b>Signatory Airlines</b>	<b>2023</b>	<b>2019</b>	<b>% Change</b>	<b>2023</b>	<b>2019</b>	<b>% Change</b>
Alaska Airlines	2,172	137	1485.40%	6,415	826	676.63%
American Airlines	0	0	N/A	0	18	-100.00%
Avelo Airlines						
Delta Airlines						
Flair Airlines						
JetBlue Airways						
Southwest Airlines	103,648	170,456	-39.19%	248,542	528,475	-52.97%
Spirit Airlines						
United Airlines	0	69	-100.00%	65	1,144	-94.32%
<b>Non-Signatory Airlines</b>						
Frontier Airlines						
<b>Other Scheduled Carriers</b>						
Federal Express	2,930,574	3,914,026	-25.13%	7,767,226	11,590,702	-32.99%
United Parcel Service	3,326,288	3,915,456	-15.05%	9,796,139	12,444,211	-21.28%
<b>Charter/Contract Carriers</b>						
Ameriflight	149,723	223,442	-32.99%	430,803	704,397	-38.84%
<b>Total Air Cargo</b>	<b>6,512,405</b>	<b>8,223,586</b>	<b>-20.81%</b>	<b>18,249,190</b>	<b>25,269,773</b>	<b>-27.78%</b>
Inbound (deplaned)	3,265,414	4,278,616	-23.68%	9,285,809	13,317,701	-30.27%
Outbound (enplaned)	3,246,991	3,944,970	-17.69%	8,963,381	11,952,072	-25.01%

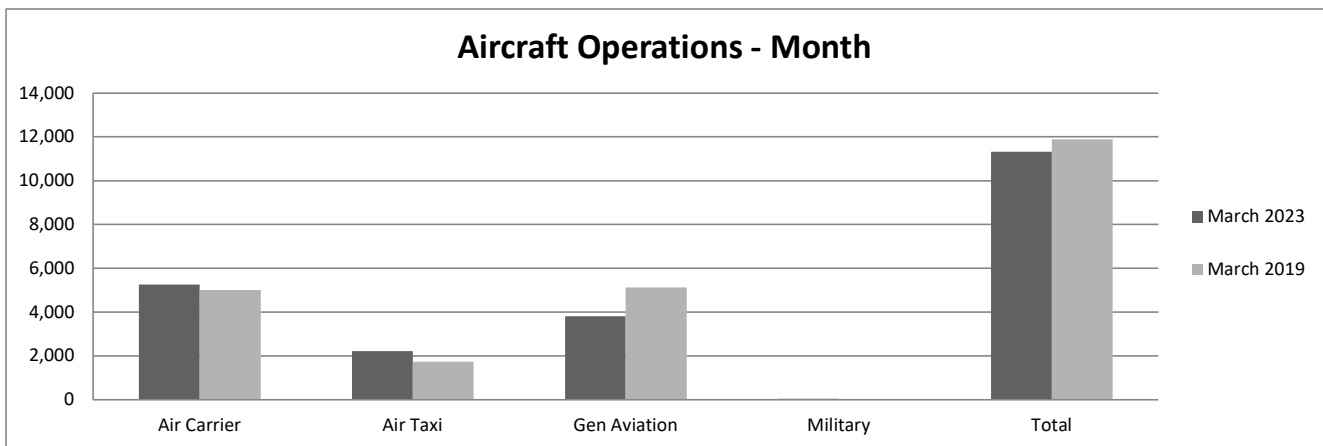
<b>MAIL (lbs.)</b>	<b>March</b>			<b>January - March*</b>		
	<b>2023</b>	<b>2019</b>	<b>% Change</b>	<b>2023</b>	<b>2019</b>	<b>% Change</b>
American Airlines	0	0	N/A	0	6,032	-100.00%
<b>Total Mail</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>6,032</b>	<b>-100.00%</b>
Inbound (deplaned)	0	0	N/A	0	3,016	-100.00%
Outbound (enplaned)	0	0	N/A	0	3,016	-100.00%

\* 2019 Year-to-Date numbers include January and February 2020, and March 2019 totals.

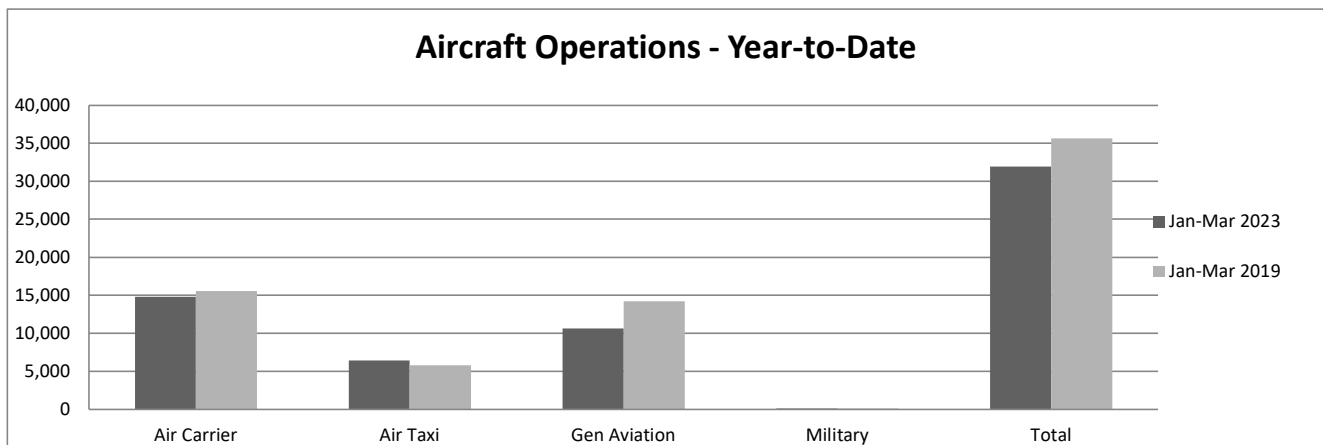




Revenue Passengers	Month	YTD
March 2023	494,296	1,299,228
March 2019	459,829	1,397,250
% Change	7.50%	-7.02%



Aircraft Operations - MO	Air Carrier	Air Taxi	Gen Aviation	Military	Total
March 2023	5,249	2,214	3,810	49	11,322
March 2019	5,015	1,730	5,116	28	11,889
% Change	4.67%	27.98%	-25.53%	75.00%	-4.77%



Aircraft Operations - YTD	Air Carrier	Air Taxi	Gen Aviation	Military	Total
Jan-Mar 2023	14,786	6,412	10,644	92	31,934
Jan-Mar 2019	15,565	5,771	14,220	113	35,669
% Change	11.11%	-31.33%	-25.15%	-18.58%	-10.47%

# LEASE NO. GS-09P-LCA01775

On-Airport Lease  
GSA TEMPLATE L201D (OCT 2022)

**A.** This Lease is made and entered into between

**Lessor's Name: Burbank Glendale Pasadena Airport Authority**

(Lessor), whose principal place of business is 2627 N Hollywood Way, Burbank, California 91505-1096, and whose interest in the Property described herein is that of Fee Owner, and

**The United States of America**

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

**B.** Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**Address**

Bob Hope Airport  
2627 N Hollywood Way  
Burbank, California 91505-1096

and more fully described in Section 1 and Exhibit **A**, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

**C. LEASE TERM**

To Have and To Hold the said Premises with its appurtenances for the term beginning upon **June 5, 2023**, and continuing for a period of

**3 Years Firm,**

subject to termination and renewal rights as may be hereinafter set forth.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

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## SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

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### 1.01 THE PREMISES (OCT 2022)

The Premises are described as follows:

- A. Office and Related Space: **3,500** rentable square feet (RSF), yielding **3,500** ANSI/BOMA Occupant Area (ABOA) square feet (SF) of office and related Space located on the **1<sup>st</sup>** floor(s) and known as Suite(s) **E-103, E-141A-I, E-145, E-147, E-163B-D**, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit **A**.
- B. Common Area Factor: The Common Area Factor (CAF) is established as **0** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

### 1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

- A. Parking: **2** parking spaces as depicted on the plan attached hereto as Exhibit **B**, reserved for the exclusive use of the Government, of which **0** shall be structured/inside parking spaces and **2** shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. Antennas, Satellite Dishes and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

### 1.03 RENT AND OTHER CONSIDERATION (ON-AIRPORT) (OCT 2022)

- A. The Government shall pay the Lessor annual rent payable monthly in arrears at the following rates:

	Years 1 - 5	
	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$147,770.00	\$42.22
Operating Costs	\$0.00	\$0.00
<b>Full Service Rate</b>	<b>\$147,770.00</b>	<b>\$42.22</b>

B. INTENTIONALLY DELETED

C. INTENTIONALLY DELETED

D. Rent is subject to adjustment based upon a mutual measurement of the Space upon acceptance, not to exceed **3,500** ABOA SF. based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

E. INTENTIONALLY DELETED

F. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

G. Rent shall be paid to Lessor by electronic funds transfer (EFT) in accordance with the provisions of the General Clauses. Rent shall be payable using the EFT information contained in the System for Award Management (SAM). In the event the EFT information changes, the Lessor shall be responsible for providing the updated information to SAM. Failure by the Lessor to maintain an active registration in SAM may result in delay of rental payments until such time as the SAM registration is activated. This registration service is free of charge.

H. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described herein in the paragraph entitled "The Premises,"
2. INTENTIONALLY DELETED
3. Performance or satisfaction of all other obligations set forth in this Lease; and,

4. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

#### 1.04 TERMINATION RIGHTS (ON-AIRPORT) (SEP 2013)

A. The Government may terminate this Lease, in whole or in part, at any time during the term of this lease with **30** days' prior written notice to the Lessor if (i) regularly scheduled commercial air services cease, (ii) the airport opts to replace TSA screeners with private contractors, (iii) the checkpoint supported by the leased Space is closed, or (iv) the Government reduces its presence at the airport due to a reduction in enplanements. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

#### 1.05 INTENTIONALLY DELETED

#### 1.06 DOCUMENTS INCORPORATED IN THE LEASE (ON-AIRPORT) (OCT 2020)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Floor Plan(s)	1	A
Parking Plan(s)	1	B
GSA Form 3517B, General Clauses	18	C

#### 1.07 INTENTIONALLY DELETED

#### 1.08 LESSOR'S UNIQUE ENTITY IDENTIFIER (OCT 2022)

Lessor's Unique Entity Identifier

UEI: **DL44TADTTGK1**

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## SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

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### 2.01 DEFINITIONS AND GENERAL TERMS (OCT 2022)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

A. Appurtenant Areas. Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.

B. Broker. If GSA awarded this Lease using a contract real estate broker, Broker shall refer to GSA's broker.

C. Building. Building(s) situated on the Property in which the Premises are located .

D. Commission Credit. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the "Commission Credit."

E. Common Area Factor. The "Common Area Factor" (CAF) is a conversion factor determined by the Building owner and applied by the owner to the ABOA SF to determine the RSF for the leased Space. The CAF is expressed as a percentage of the difference between the amount of rentable SF and ABOA SF, divided by the ABOA SF. For example 11,500 RSF and 10,000 ABOA SF will have a CAF of 15% [(11,500 RSF-10,000 ABOA SF)/10,000 ABOA SF]. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.

F. Contract. Contract shall mean this Lease.

G. Contractor. Contractor shall mean Lessor.

H. Days. All references to "day" or "days" in this Lease shall mean calendar days, unless specified otherwise.

I. FAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1.

J. Firm Term/Non-Firm Term. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.

K. GSAR. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.

L. Lease Term Commencement Date. The date on which the Lease term commences.

M. Lease Award Date. The date the LCO executes the Lease and mails or otherwise furnishes written notification of the executed Lease to the successful Offeror (date on which the parties' obligations under the Lease begin).

N. Premises. The Premises are defined as the total Occupant Area or other type of Space, together with all associated common areas, described in Section 1 of this Lease, and delineated by plan in the attached exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.

O. Property. The Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas) to which the Government is granted rights.

P. Rentable Space or Rentable Square Feet (RSF). Rentable Space is the area for which a tenant is charged rent. It is determined by the Building owner and may vary by city or by building within the same city. The Rentable Space may include a share of Building support/common areas such as elevator lobbies, Building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The Rentable Space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts. Rentable Square Feet is calculated using the following formula for each type of Space (e.g., office, warehouse, etc.) included in the Premises:  $ABOA\ SF\ of\ Space \times (1 + CAF) = RSF$ .

Q. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as Occupant Area, or other type of Space. Parking areas to which the Government has rights under this Lease are not included in the Space.

R. Occupant Area. For the purposes of this Lease, Space shall be measured in accordance with the standard (Z65.1-2017) provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for Occupant Area, which means "the total aggregated area used by an Occupant before Load Factors are applied, consisting of Tenant Area and Tenant Ancillary Area." The Method A – Multiple Load Factor Method shall apply. References to ABOA mean ANSI/BOMA Occupant Area.

S. Working Days. Working Days shall mean weekdays, excluding Saturdays and Sundays and Federal holidays.

### 2.02 AUTHORIZED REPRESENTATIVES (OCT 2016)

Signatories to this Lease shall have full authority to bind their respective principals with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principals, except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) by notice, without an express delegation by the prior LCO.

### **2.03 WAIVER OF RESTORATION (OCT 2021)**

Lessor shall have no right to require the Government to restore the Premises upon expiration or earlier termination (full or partial) of the Lease, and waives all claims against the Government for:

- A. Waste, or,
- B. Damages or restoration arising from or related to:
  - 1. the Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as
  - 2. any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government.

At its sole option, the Government may abandon property in the Space following expiration or earlier termination (full or partial) of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

### **2.04 INTENTIONALLY DELETED**

### **2.05 RELOCATION RIGHTS (OCT 2021)**

If it becomes necessary in the orderly development of the Airport, Lessor may require the relocation of Premises to other space at the Airport which, in the reasonable judgment of Lessor, is similar and suitable for the purposes for which this Lease is entered as such purposes are set forth herein. Should such relocation be necessary, the Lessor shall provide the GSA a minimum of 120 days prior written notice. Lessor shall be responsible for all costs for such relocation, including all costs for moving furniture, office equipment, telephone and data lines, and any other costs associated with replicating necessary operational features provided in the space originally leased. The Airport shall provide such relocated Premises at the same rental rate as the original Premises, unless the new Premises are located in an area for which the Airport charges tenants a lower rate, in which event the parties shall negotiate a reduction in the rental rate. The Government will not reimburse the Lessor for any increased square footage as a result of such relocation.

### **2.06 RECITALS FOR TRANSPORTATION SECURITY ADMINISTRATION (ON-AIRPORT) (JUN 2012)**

- A. The Transportation Security Administration (TSA) is required, pursuant to 49 U.S.C. 40101—The Aviation and Transportation Security Act (ATSA), to oversee security measures at the Bob Hope Airport.
- B. TSA is responsible for airline passenger and baggage screening services at the Airport.
- C. The U.S. General Services Administration (GSA), on behalf of TSA, leases certain facilities on the Airport premises for administrative offices and/or break rooms in support of airport passenger and baggage screening services by the TSA.
- D. Space for TSA to screen passengers and baggage is expressly excluded from this Lease.

### **2.07 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (ON-AIRPORT) (MAY 2015)**

- A. The Lessor shall provide floor plans for the Space and a valid Certificate of Occupancy (C of O), issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue C of O's or if the C of O is not available, the Lessor may satisfy this condition by providing a report prepared by a licensed fire protection engineer that verifies that the Space complies with all applicable local fire protection and life safety codes and ordinances and all fire protection and life safety-related requirements of this Lease.
- B. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

### **2.08 ALTERATIONS PRIOR TO ACCEPTANCE (JUN 2012)**

The Government's rights stated under the General Clause "Alterations" also apply to initial build-out of the Premises.

### **2.09 SYSTEM FOR AWARD MANAGEMENT (MAR 2020)**

The Offeror must have an active registration in the System for Award Management (SAM), via the Internet at, [HTTPS://WWW.SAM.GOV/SAM/](https://www.sam.gov/SAM/) prior to the Lease Award Date. Registration must be for purposes of "All Awards" and include completion of all required representations and certifications within SAM. Registration must be active throughout the life of the Lease. To remain active, the Offeror/Lessor is required to update or renew its registration annually. The Government will not process rent payments to Lessors without an active registration in SAM. No change of ownership of the leased Premises will be recognized by the Government until the new owner registers in SAM.

## **2.10 SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011)**

The Government reserves the right, at its own expense and with its own personnel, to heighten security in the Building under Lease during heightened security conditions due to emergencies such as terrorist attacks, natural disaster, and civil unrest.



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## **SECTION 3      CONSTRUCTION STANDARDS AND SHELL COMPONENTS**

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### **3.01    BUILDING SHELL REQUIREMENTS (ON-AIRPORT) (SEP 2013)**

A.     The Building Shell shall be designed, constructed, and maintained in accordance with the standards set forth herein and completed prior to acceptance of Space. For pricing, fulfillment of all requirements not specifically designated as operating costs or other rent components as indicated shall be deemed included in the Shell Rent.

B.     Base structure and Building enclosure components shall be complete. All common areas accessible by the Government, such as lobbies, fire egress corridors and stairwells, elevators, garages, and service areas, shall be complete. Restrooms shall be complete and operational. All newly installed Building shell components, including but not limited to, heating, ventilation, and air conditioning (HVAC), electrical, ceilings, sprinklers, etc., shall be furnished, installed, and coordinated with TIs. Circulation corridors are provided as part of the base Building only on multi-tenanted floors where the corridor is common to more than one tenant. On single tenant floors, only the fire egress corridor(s) necessary to meet code is provided as part of the shell.

### **3.02    MEANS OF EGRESS (MAY 2015)**

A.     Prior to occupancy, the Premises and any parking garage areas shall meet or will be upgraded to meet, either the applicable egress requirements in the National Fire Protection Association, Life Safety Code (NFPA 101), or the International Code Council, International Building Code (IBC), each current as of the Lease Award Date, or use an alternative approach or method that achieves an equivalent level of safety deemed acceptable by the Government.

B.     The Space shall have unrestricted access to a minimum of two remote exits on each floor of Government occupancy.

C.     Interlocking or scissor stairs located on the floor(s) where Space is located shall only count as one exit stair.

D.     A fire escape located on the floor(s) where Space is located shall not be counted as an approved exit stair.

E.     Doors shall not be locked in the direction of egress unless equipped with special locking hardware in accordance with requirements of NFPA 101 or the IBC.

### **3.03    AUTOMATIC FIRE SPRINKLER SYSTEM (OCT 2022)**

A.     Any portion of the Space located below-grade, including parking garage areas, and all areas in a Building referred to as "hazardous areas" (defined in National Fire Protection Association (NFPA) 101) that are located within the entire Building (including non-Government areas) shall be protected by an automatic fire sprinkler system or an equivalent level of safety.

B.     For Buildings in which any portion of the Space is on or above the sixth floor, then, at a minimum, the Building up to and including the highest floor of Government occupancy shall be protected by an automatic fire sprinkler system or an equivalent level of safety.

C.     For Buildings in which any portion of the Space is on or above the sixth floor, and lease of the Space will result, either individually or in combination with other Government Leases in the Building, in the Government leasing 35,000 or more ANSI/BOMA Occupant Area SF of Space in the Building, then the entire Building shall be protected throughout by an automatic fire sprinkler system or an equivalent level of safety.

D.     Automatic fire sprinkler system(s) shall be installed in accordance with the requirements of NFPA 13, Standard for the Installation of Sprinkler Systems that was in effect on the actual date of installation.

E.     Automatic fire sprinkler system(s) shall be maintained in accordance with the requirements of NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-based Fire Protection Systems (current as of the Lease Award Date).

F.     "Equivalent level of safety" means an alternative design or system (which may include automatic fire sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic fire sprinkler systems.

### **3.04    FIRE ALARM SYSTEM (SEP 2013)**

A.     A Building-wide fire alarm system shall be installed in the entire Building in which any portion of the Space is located on the 3<sup>rd</sup> floor or higher.

B.     The fire alarm system shall be installed in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code that was in effect on the actual date of installation.

C.     The fire alarm system shall be maintained in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date).

D.     The fire alarm system shall transmit all fire alarm signals to the local fire department via any of the following means: directly to the local fire department, to the (911) public communications center, to a central station, to a remote supervising station, or to a proprietary supervising station.

E. If the Building's fire alarm control unit is over 25 years old as of the Lease Award Date, Lessor shall install a new fire alarm system in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date), prior to Government acceptance and occupancy of the Space.

### **3.05 ENERGY INDEPENDENCE AND SECURITY ACT (MAR 2016)**

#### **A. Energy-related Requirements:**

1. The Energy Independence and Security Act (EISA) establishes the following requirements for Government Leases in Buildings that have not earned the ENERGY STAR® Label conferred by the Environmental Protection Agency (EPA) within one year prior to the due date for final proposal revisions ("most recent year").

2. If this Lease was awarded under any of EISA's Section 435 statutory exceptions, the Lessor shall either:

a. Earn the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease); or

b. I. Complete energy efficiency and conservation improvements if any, agreed to by Lessor in lieu of earning the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease); and

II. Obtain and publicly disclose the Building's current ENERGY STAR® score (using EPA's Portfolio Manager tool), unless the Lessor cannot access whole building utility consumption data, or there is no building category within Portfolio Manager to benchmark against, including spaces—

(i) That are located in States with privacy laws that provide that utilities shall not provide such aggregated information to multitenant building owners; and

(ii) For which tenants do not provide energy consumption information to the commercial building owner in response to a request from the building owner. (A Federal agency that is a tenant of the space shall provide to the building owner, or authorize the owner to obtain from the utility, the energy consumption information of the space for the benchmarking and disclosure required by this subparagraph D).

(iii) That cannot be benchmarked (scored) using EPA's Portfolio Manager tool because of excessive vacancy; in which case Lessor agrees to obtain the score and publicly disclose it within 120 days of the eligibility to obtain a score using the EPA Portfolio Manager tool.

Note: "public disclosure" means posting the Energy Star® score on state or local websites in those areas that have applicable disclosure mandates, and reporting the score to the Government via Portfolio Manager. In the absence of an applicable state or local disclosure mandate, Lessor shall either generate and display the Energy Star® score in a public space at the building location or post the score on Lessor's or Lessor's Parent/Affiliate website.

3. If this Lease was awarded to a Building to be built or to a Building predominantly vacant as of the due date for final proposal revisions and was unable to earn the ENERGY STAR® label for the most recent year (as defined above) due to insufficient occupancy, but was able to demonstrate sufficient evidence of capability to earn the ENERGY STAR® label, then Lessor must earn the ENERGY STAR® label within 18 months after occupancy by the Government.

4. The Lessor is encouraged to purchase at least 50 percent of the Government tenant's electricity from renewable sources.

B. Hydrology-related Requirements: Per EISA Section 438, the sponsor of any development or redevelopment project involving a Federal facility with a footprint that exceeds 5,000 square feet shall use site planning, design, construction, and maintenance strategies for the property to maintain or restore, to the maximum extent technically feasible, the predevelopment hydrology of the Property with regard to the temperature, rate, volume, and duration of flow. If the Lessor proposes to satisfy the Government's space requirements through a development or redevelopment project, and the Government will be the sole or predominant tenant such that any other use of the Property will be functionally or quantitatively incidental to the Government's use, the Lessor is required to implement hydrology maintenance and restoration requirements as required by EISA Section 438.

1. For the purposes of applying EISA Section 438 in this Lease, "sponsor" shall mean "Lessor", and "exceeds 5,000 square feet" shall mean construction that disturbs 5,000 square feet or more of land area at the Property or on adjoining property to accommodate the Government's requirements, or at the Property for whatever reason. Information regarding implementation of the hydrology maintenance and restoration requirements can be found at: <http://www.epa.gov/greeningepa/technical-guidance-implementing-stormwater-runoff-requirements-federal-projects>

2. Lessor is required to implement these hydrology maintenance and restoration requirements to the maximum extent technically feasible, prior to acceptance of the Space, (or not later than one year after the Lease Award Date or Lease Term Commencement Date, whichever is later, of a succeeding or superseding Lease). Additionally, this Lease requires EISA Section 438 storm water compliance not later than one year from the date of any applicable disturbance (as defined in EISA Section 438) of more than 5,000 square feet of ground area if such disturbance occurs during the term of the Lease if the Government is the sole or predominant tenant. In the event the Lessor is required to comply with EISA Section 438, Lessor shall furnish the Government, prior to the filing for permits for the associated work, with a certification from Lessor's engineer that the design meets the hydrology maintenance and restoration requirements of EISA Section 438.

### **3.06 ACCESSIBILITY (FEB 2007)**

The Building, leased Space, and areas serving the leased Space shall be accessible to persons with disabilities in accordance with the Architectural Barriers Act Accessibility Standard (ABAAS), Appendices C and D to 36 CFR Part 1191 (ABA Chapters 1 and 2, and Chapters 3 through 10). To the extent the standard referenced in the preceding sentence conflicts with local accessibility requirements, the more stringent shall apply.

### **3.07 MECHANICAL, ELECTRICAL, PLUMBING: GENERAL (APR 2011)**

The Lessor shall provide and operate all Building equipment and systems in accordance with applicable technical publications, manuals, and standard procedures. Mains, lines, and meters for utilities shall be provided by the Lessor. Exposed ducts, piping, and conduits are not permitted in office Space.

### **3.08 RESTROOMS (ON-AIRPORT) (JUN 2012)**

Government employees shall have access to all public restroom facilities for men and women in the Airport terminal at all times without additional payment.

### **3.09 HEATING, VENTILATION, AND AIR CONDITIONING (ON-AIRPORT) (OCT 2022)**

A. Temperatures shall conform to local commercial equivalent temperature levels and operating practices to maximize tenant satisfaction. Thermostats shall be set to maintain temperatures of 72 degrees F (+/- 3 degrees) during the heating season and 75 degrees F (+/- 3 degrees) during the cooling season. These temperatures shall be maintained throughout the leased Premises and service areas, regardless of outside temperatures, during the hours of operation specified in this Lease. The Lessor shall perform any necessary systems start-up required to meet the commercially equivalent temperature levels prior to the first hour of each day's operation. At all times, the dew point shall be maintained below 55 degrees F in occupied spaces, and below 60 degrees F in unoccupied spaces.

B. The Lessor shall conduct HVAC system balancing after all HVAC system alterations during the term of the Lease and shall make a reasonable attempt to schedule major construction outside of office hours.

C. Normal HVAC systems maintenance shall not disrupt tenant operations.

### **3.10 TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (ON-AIRPORT) (SEP 2013)**

A. The Government may elect to contract its own telecommunications (voice, data, video, Internet, or other emerging technologies) service in the Space. The Government may contract with one or more parties to have inside wiring (or other transmission medium) and telecommunications equipment installed.

B. The Lessor shall allow the Government's designated telecommunications providers access to utilize existing Building wiring to connect its services to the Government's Space. If the existing Building wiring is insufficient to handle the transmission requirements of the Government's designated telecommunications providers, the Lessor shall provide access from the point of entry into the Building to the Government's floor Space, subject to any inherent limitations in the pathway involved.

C. The Lessor shall allow the Government's designated telecommunications providers to affix telecommunications antennas (high frequency, mobile, microwave, satellite, or other emerging technologies), subject to weight and wind load conditions, to roof, parapet, or Building envelope as required.

### **3.11 GOVERNMENT PROJECT MANAGEMENT SYSTEM (ON-AIRPORT) (OCT 2022)**

The Government may require the Lessor to use the Government's project management system for post-award and post-occupancy activities. Licensing costs and access to the system are the responsibility of the Government.

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## SECTION 4 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

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### 4.01 SERVICES, UTILITIES, AND MAINTENANCE (ON-AIRPORT) (OCT 2020)

The Lessor is responsible for providing all utilities necessary for base building and tenant operations and all associated costs are included as a part of the established rental rates. The Lessor shall follow routine cleaning and disinfecting requirements in Section 5.01. The following services, utilities, and maintenance shall be provided by the Lessor as part of the rental consideration (check all that apply):

<input checked="" type="checkbox"/> HEAT	<input checked="" type="checkbox"/> TRASH REMOVAL	<input checked="" type="checkbox"/> ELEVATOR SERVICE	<input checked="" type="checkbox"/> INITIAL REPLACEMENT LAMPS, TUBES & BALLASTS	<input checked="" type="checkbox"/> OTHER (Specify below)
<input checked="" type="checkbox"/> ELECTRICITY	<input checked="" type="checkbox"/> CHILLED DRINKING WATER	<input checked="" type="checkbox"/> WINDOW WASHING	<input checked="" type="checkbox"/> PAINTING FREQUENCY	<u>The proposed rental rate is to include 2 reserved parking spaces</u>
<input checked="" type="checkbox"/> POWER (Special Equip.)	<input checked="" type="checkbox"/> AIR CONDITIONING	Frequency <u>As Needed</u>	Space <u>Yearly</u> or <u>as needed</u>	
<input checked="" type="checkbox"/> WATER (Hot & Cold)	<input checked="" type="checkbox"/> RESTROOM SUPPLIES	<input checked="" type="checkbox"/> CARPET CLEANING	Public Areas <u>As needed</u>	
<input type="checkbox"/> SNOW REMOVAL	<input checked="" type="checkbox"/> JANITORIAL SERV. & SUPP.	Frequency <u>As Needed</u>		

The Lessor shall have an onsite building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.

### 4.02 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS FOR AIRPORT OCCUPANCIES (SEP 2013)

The Government shall have access to the Premises and its Appurtenant Areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, restrooms, lights, and electric power. Cleaning shall be performed after tenant working hours unless daytime cleaning is specified as a special requirement elsewhere in this Lease. Janitorial Services shall not be required on weekends or Federal holidays. Services, maintenance, and utilities shall be provided from **5:00 AM to 9:00 PM**,

### 4.03 MAINTENANCE AND TESTING OF SYSTEMS (SEP 2013)

A. The Lessor is responsible for the total maintenance and repair of the leased Premises. Such maintenance and repairs include the site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems shall be done in accordance with current applicable codes, and inspection certificates shall be displayed as appropriate. Copies of all records in this regard shall be forwarded to the Government's designated representative.

B. At the Lessor's expense, the Government reserves the right to require documentation of proper operations, inspection, testing, and maintenance of fire protection systems, such as, but not limited to, fire alarm, fire sprinkler, standpipes, fire pump, emergency lighting, illuminated exit signs, emergency generator, prior to occupancy to ensure proper operation. These tests shall be witnessed by the Government's designated representative.

### 4.04 RECYCLING (ON-AIRPORT) (JUN 2012)

Where state or local law, code, or ordinance requires recycling programs (including mercury-containing lamps) for the Space to be provided pursuant to this Lease, the Lessor shall comply with such state and local law, code, or ordinance in accordance with GSA Form 3517, General Clauses, 552.270-8, *Compliance with Applicable Law*. During the lease term, the Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the Building and in the Leased Space.

### 4.05 RANDOLPH-SHEPPARD COMPLIANCE (SEP 2013)

During the term of the Lease, the Lessor may not establish vending facilities within the leased Space that will compete with any Randolph-Sheppard vending facilities.

### 4.06 SAFEGUARDING AND DISSEMINATION OF CONTROLLED UNCLASSIFIED INFORMATION (CUI) BUILDING INFORMATION (OCT 2022)

This clause applies to all recipients of CUI building information (which falls within the CUI Physical Security category), including offerors, bidders, awardees, contractors, subcontractors, lessors, suppliers and manufacturers.

Marking CUI. Contractors must submit any contractor-generated documents that contain building information to GSA for review and identification of any CUI building information that may be included. In addition, any documents GSA identifies as containing CUI building information must be marked in accordance with the Order and the Marking Controlled Unclassified Information Handbook (the current version may be found at [HTTPS://WWW.ARCHIVES.GOV/FILES/CUI/20161206-CUI-MARKING-HANDBOOK-V1-1.PDF](https://www.archives.gov/files/cui/20161206-CUI-MARKING-HANDBOOK-V1-1.PDF)) before the original or any copies are disseminated to any other parties. If CUI content is identified, the CO may direct the contractor, as specified elsewhere in this contract, to imprint or affix CUI document markings (CUI) to the original documents and all copies, before any dissemination, or authorized GSA employees may mark the documents.

1. Authorized recipients.

- a. Building information designated as CUI must be protected with access strictly controlled and limited to those individuals having a Lawful Government Purpose to access such information, as defined in 32 C.F.R. § 2002.4(bb). Those with such a Lawful Government Purpose may include Federal, state and local government entities, and non-governmental entities engaged in the conduct of business on behalf of or with GSA. Non-governmental entities may include architects, engineers, consultants, contractors, subcontractors, suppliers, utilities, and others submitting an offer or bid to GSA, or performing work under a GSA contract or subcontract. Recipient contractors must be registered as "active" in the System for Award Management (SAM) database at [www.sam.gov](http://www.sam.gov), and have a Lawful Government Purpose to access such information. If a subcontractor is not registered in the SAM database and has a Lawful Government Purpose to possess CUI building information in furtherance of the contract, the subcontractor must provide to the contractor its DUNS number or its tax ID number and a copy of its business license. The contractor must keep this information related to the subcontractor for the duration of the contract and subcontract.
- b. All GSA personnel and contractors must be provided CUI building information when needed for the performance of official Federal, state, and local government functions, such as for code compliance reviews and the issuance of building permits. Public safety entities such as fire and utility departments may have a Lawful Government Purpose to access CUI building information on a case-by-case basis. This clause must not prevent or encumber the necessary dissemination of CUI building information to public safety entities.

2. Dissemination of CUI building information:

- a. By electronic transmission. Electronic transmission of CUI information outside of the GSA network must use session encryption (or alternatively, file encryption) consistent with National Institute of Standards and Technology (NIST) SP 800-171. Encryption must be through an approved NIST algorithm with a valid certification, such as Advanced Encryption Standard or Triple Data Encryption Standard, in accordance with Federal Information Processing Standards Publication 140-2, Security Requirements for Cryptographic Modules, as required by GSA policy.
- b. By nonelectronic form or on portable electronic data storage devices. Portable electronic data storage devices include CDs, DVDs, and USB drives. Nonelectronic forms of CUI building information include paper documents, photographs, and film, among other formats.
  - i. By mail. Contractors must only use methods of shipping that provide services for monitoring receipt such as track and confirm, proof of delivery, signature confirmation, or return receipt. CUI markings must not appear on the exterior of packages.
  - ii. In person. Contractors must provide CUI building information only to authorized recipients with a Lawful Government Purpose to access such information. Further information on authorized recipients is found in section 1 of this clause.

3. Record keeping. Contractors must maintain a list of all entities to which CUI is disseminated, in accordance with sections 2 and 3 of this clause. This list must include, at a minimum: (1) the name of the state, Federal, or local government entity, utility, or firm to which CUI has been disseminated; (2) the name of the individual at the entity or firm who is responsible for protecting the CUI building information, with access strictly controlled and limited to those individuals having a Lawful Government Purpose to access such information; (3) contact information for the named individual; and (4) a description of the CUI building information provided. Once "as built" drawings are submitted, the contractor must collect all lists maintained in accordance with this clause, including those maintained by any subcontractors and suppliers, and submit them to the CO. For Federal buildings, final payment may be withheld until the lists are received.
4. Safeguarding CUI documents. CUI building information (both electronic and paper formats) must be stored within controlled environments that prevent unauthorized access. GSA contractors and subcontractors must not take CUI building information outside of GSA or their own facilities or network, except as necessary for the performance of that contract. Access to the information must be limited to those with a Lawful Government Purpose for access.
5. Destroying CUI building information. When no longer needed, CUI building information must either be returned to the CO or destroyed in accordance with guidelines in NIST Special Publication 800-88, Guidelines for Media Sanitization.
6. Notice of disposal. The contractor must notify the CO that all CUI building information has been returned or destroyed by the contractor and its subcontractors or suppliers in accordance with paragraphs 4 and 5 of this clause, with the exception of the contractor's record copy. This notice must be submitted to the CO at the completion of the contract to receive final payment. For leases, this notice must be submitted to the CO at the completion of the lease term.
7. CUI security incidents. All improper disclosures or receipt of CUI building information must be immediately reported to the CO and the GSA Incident Response Team Center at [gsa-ir@gsa.gov](mailto:gsa-ir@gsa.gov). If the contract provides for progress payments, the CO may withhold approval of progress payments until the contractor provides a corrective action plan explaining how the contractor will prevent future improper disclosures of CUI building information. Progress payments may also be withheld for failure to comply with any provision in this clause until the contractor provides a corrective action plan explaining how the contractor will rectify any noncompliance and comply with the clause in the future.
8. Subcontracts. The contractor and subcontractors must insert the substance of this clause in all subcontracts.

#### 4.07 INDOOR AIR QUALITY (OCT 2019)

A. The Lessor shall control airborne contaminants at the source and/or operate the Space in such a manner that indoor air quality action limits identified in the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8), OSHA regulatory limits, and generally accepted consensus standards are not exceeded. .

B. The Lessor shall avoid the use of products containing toxic, hazardous, carcinogenic, flammable, or corrosive ingredients as determined from the product label or manufacturer's safety data sheet. The Lessor shall use available odor-free or low odor products when applying paints, glues,

lubricants, and similar wet products. When such equivalent products are not available, lessor shall use the alternate products outside normal working hours. Except in an emergency, the Lessor shall provide at least 72 hours advance notice to the Government before applying chemicals or products with noticeable odors in occupied Spaces and shall adequately ventilate those Spaces during and after application.

C. The Lessor shall serve as first responder to any occupant complaints about indoor air quality (IAQ). The Lessor shall promptly investigate such complaints and implement the necessary controls to address each complaint. Investigations shall include testing as needed, to ascertain the source and severity of the complaint.

D. The Government reserves the right to conduct independent IAQ assessments and detailed studies in Space that it occupies, as well as in space serving the Space (e.g., common use areas, mechanical rooms, HVAC systems, etc.). The Lessor shall assist the Government in its assessments and detailed studies by:

1. Making available information on Building operations and Lessor activities;
2. Providing access to Space for assessment and testing, if required; and
3. Implementing corrective measures required by the LCO. The Lessor shall take corrective action to correct any tests or measurements that do not meet GSA policy action limits in the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8), OSHA regulatory limits and generally accepted consensus standards.

E. The Lessor shall provide to the Government safety data sheets (SDS) upon request for the following products prior to their use during the term of the Lease: adhesives, caulking, sealants, insulating materials, fireproofing or firestopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finish for wood surfaces, janitorial cleaning products, pesticides, rodenticides, and herbicides. The Government reserves the right to review such products used by the Lessor within the Space, common building areas, ventilation systems and zones serving the Space, and the area above suspended ceilings and engineering space in the same ventilation zone as the Space.

F. The Lessor shall use high efficiency (HEPA) filtration vacuums for cleaning and minimum MERV 10 rated ventilation system filtration whenever feasible.

G. The Lessor is encouraged to comply with best practices outlined in Appendix D- Indoor Air Quality in GSA Leased Facilities (Best Practices) within the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8).

#### **4.08 HAZARDOUS MATERIALS (ON-AIRPORT) (OCT 2021)**

The leased Space shall be free of hazardous materials, hazardous substances, and hazardous wastes, as defined by and according to applicable Federal, state, and local environmental regulations including, but not limited to, the following:

A. The leased Space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the Space or undamaged boiler or pipe insulation outside the Space, in which case an asbestos management program conforming to EPA guidance shall be implemented.

B. The Lessor shall provide Space to the Government that is free from ongoing water leaks or moisture infiltration. The Space and ventilation zones serving the Space shall also be free of visible mold or actionable airborne mold.

1. Actionable mold is either visible mold or airborne mold of types and concentrations in excess of that found in the local outdoor air or non-problematic control areas elsewhere in the same building, whichever is lower. The Lessor shall safely remediate all actionable mold in accordance with sub-paragraph B.2 below
2. The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, September 2008 or ANSI/IICRC S520-2015 Standard for Professional Mold Remediation), published by EPA, as same may be amended or revised from time to time, and any other applicable Federal, state, or local laws, regulatory standards, and guidelines.
3. The Lessor acknowledges and agrees that the Government shall have a reasonable opportunity to inspect the leased Space after conclusion of the remediation. If the results of the Government's inspection indicate that the remediation does not comply with the plan or any other applicable Federal, state, or local laws, regulatory standards, or guidelines, the Lessor, at its sole cost, expense, and risk, shall immediately take all further actions necessary to bring the remediation into compliance.
4. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate the actionable mold, the Government may implement a corrective action program and deduct its costs from the rent.

#### **4.09 OCCUPANT EMERGENCY PLANS (OCT 2020)**

The Lessor is required to cooperate, participate and comply with the development and implementation of the Government's Occupant Emergency Plan (OEP) and a supplemental Shelter-in Place (SIP) Plan. Periodically, the Government may request that the Lessor assist in reviewing and revising its OEP and SIP. The Plan, among other things, will include evacuation procedures and an annual emergency evacuation drill, emergency shutdown of air intake procedures, and emergency notification procedures for the Lessor's Building engineer or manager, Building security, local emergency personnel, and Government agency personnel.

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## **SECTION 5      ADDITIONAL TERMS AND CONDITIONS**

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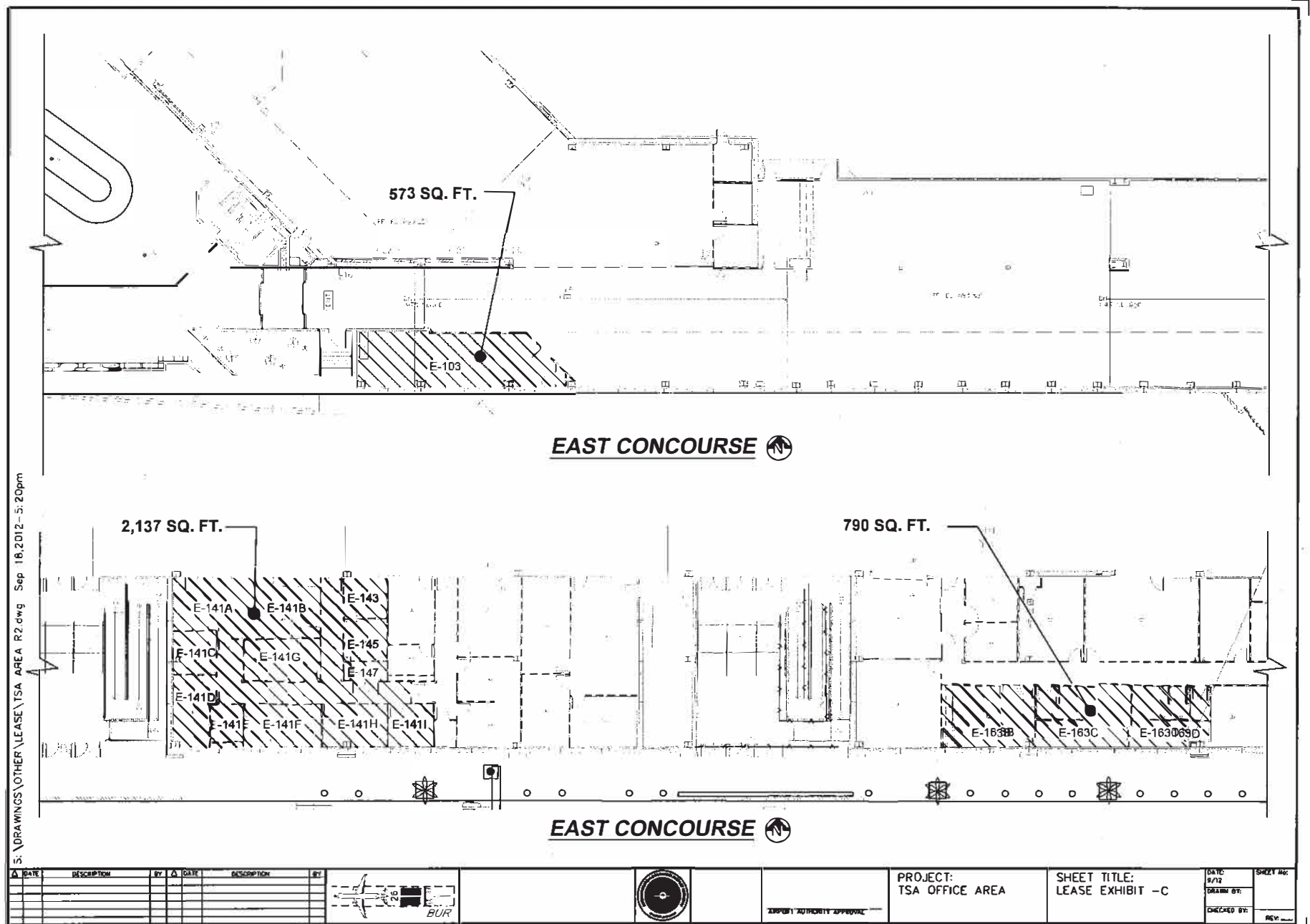
### **5.01    PROVISIONAL ACCEPTANCE (FEB 2021)**

A.      At a time of exceptional circumstance, i.e., pandemic, the Government may accept the Space on a provisional basis until such time that a re-inspection on-site can occur. In this instance and upon request from the LCO, the Lessor shall provide such documentation (e.g., picture(s), video(s) and/or a representative on-site for a live-stream or 'virtual' walkthrough) to confirm substantial completion. In such an instance the Government may withhold a percentage of lump sum Tenant Improvement payment as a reserve to ensure that all deficiencies and/or punch list item(s) will be addressed by the Lessor within the time frame established or until the Government can determine the space has been delivered in accordance with the Lease requirements, Design Intent Drawings and Construction Drawings.

B.      At such time as a physical on-site inspection is deemed possible by the Government, the Government reserves the right to physically inspect the Space with an on-site representative to conduct a space measurement and to document any deficiencies and/or punch-list item(s) for the Lessor's correction.

C.      Upon re-inspection and Government acceptance of any deficiencies and/or punch list item(s) documented per above, or in the instance of no such documented items, this provisional acceptance will be rendered non-provisional and fully accepted by the Government via subsequent Lease Amendment.

# EXHIBIT A



Lessor: \_\_\_\_\_ Government: \_\_\_\_\_





**EXHIBIT C**  
**GENERAL CLAUSES**  
**(Acquisition of Leasehold Interests in Real Property)**

<b>CATEGORY</b>	<b>CLAUSE NO.</b>	<b>48 CFR REF.</b>	<b>CLAUSE TITLE</b>
GENERAL	1	GSAR 552.270-5	SUBLETTING AND ASSIGNMENT (DEVIATION)
	2	GSAR 552.270-11	SUCCESSORS BOUND
	3	GSAR 552.270-23	SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN
	4	GSAR 552.270-24	STATEMENT OF LEASE
	5	GSAR 552.270-25	SUBSTITUTION OF TENANT AGENCY
	6	GSAR 552.270-26	NO WAIVER
	7	GSAR 552.270-27	INTEGRATED AGREEMENT (DEVIATION)
	8	GSAR 552.270-28	MUTUALITY OF OBLIGATION
PERFORMANCE	9	GSAR 552.270-17	DELIVERY AND CONDITION (DEVIATION)
	10		DEFAULT BY LESSOR
	11	GSAR 552.270-19	PROGRESSIVE OCCUPANCY
	12	GSAR 552.270-6	MAINTENANCE OF THE PROPERTY, RIGHT TO INSPECT (DEVIATION)
	13	GSAR 552.270-7	FIRE AND CASUALTY DAMAGE (DEVIATION)
	14	GSAR 552.270-8	COMPLIANCE WITH APPLICABLE LAW (DEVIATION)
	15	GSAR 552.270-12	ALTERATIONS
	16	GSAR 552.270-29	ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (DEVIATION)
PAYMENT	17	FAR 52.204-13	SYSTEM FOR AWARD MANAGEMENT MAINTENANCE
	18	GSAR 552.270-31	PROMPT PAYMENT
	19	FAR 52.232-23	ASSIGNMENT OF CLAIMS
	20		PAYMENT
	21	FAR 52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER—SYSTEM FOR AWARD MANAGEMENT
STANDARDS OF CONDUCT	22	FAR 52.203-13	CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT
	23	GSAR 552.270-32	COVENANT AGAINST CONTINGENT FEES
	24	FAR 52.203-7	ANTI-KICKBACK PROCEDURES
	25	FAR 52.223-6	DRUG-FREE WORKPLACE
	26	FAR 52.203-14	DISPLAY OF HOTLINE POSTER(S)

ADJUSTMENTS	27	GSAR 552.270-30	PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY
	28	FAR 52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA
	29	GSAR 552.270-13	PROPOSALS FOR ADJUSTMENT
	30	GSAR 552.270-14	CHANGES (DEVIATION)
AUDITS	31	GSAR 552.215-70	EXAMINATION OF RECORDS BY GSA
	32	FAR 52.215-2	AUDIT AND RECORDS—NEGOTIATION
DISPUTES	33	FAR 52.233-1	DISPUTES
LABOR STANDARDS	34	FAR 52.222-26	EQUAL OPPORTUNITY
	35	FAR 52.222-21	PROHIBITION OF SEGREGATED FACILITIES
	36	FAR 52.219-28	POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION
	37	FAR 52.222-35	EQUAL OPPORTUNITY FOR VETERANS
	38	FAR 52.222-36	EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES
	39	FAR 52.222-37	EMPLOYMENT REPORTS ON VETERANS
SUBCONTRACTING	40	FAR 52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT
	41	FAR 52.215-12	SUBCONTRACTOR CERTIFIED COST OR PRICING DATA
	42	FAR 52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS
	43	FAR 52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN
	44	FAR 52.219-16	LIQUIDATED DAMAGES—SUBCONTRACTING PLAN
	45	FAR 52.204-10	REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS
CYBERSECURITY	46	FAR 52.204-2	SECURITY REQUIREMENTS
	47	FAR 52.204-9	PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL
	48	GSAR 552.204-9	PERSONAL IDENTITY VERIFICATION REQUIREMENTS
	49	FAR 52.204-21	BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS

OTHER	50	FAR 52.204-23	PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES
	51	FAR 52.204-25	PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT
	52		INTENTIONALLY DELETED
	53	FAR 52.204-19	INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS

The information collection requirements contained in this solicitation/contract that are not required by regulation have been approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

GENERAL CLAUSES  
(Acquisition of Leasehold Interests in Real Property)

**1. GSAR 552.270-5 SUBLETTING AND ASSIGNMENT (SEP 2022) (DEVIATION)**

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting. The Government may at any time assign this lease, and be relieved from all obligations to Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any subletting or assignment shall be subject to prior written consent of the Lessor, which shall not be unreasonably withheld.

**2. GSAR 552.270-11 SUCCESSORS BOUND (SEP 1999)**

This lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

**3. GSAR 552.270-23 SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT (SEP 1999)**

- (a) Lessor warrants that it holds such title to or other interest in the premises and other property as is necessary to the Government's access to the premises and full use and enjoyment thereof in accordance with the provisions of this lease. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Government agrees, however, within twenty (20) business days next following the Contracting Officer's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.
- (b) No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate non-disturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.
- (c) In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the Contracting Officer and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.
- (d) None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

**4. GSAR 552.270-24 STATEMENT OF LEASE (SEP 1999)**

(a) The Contracting Officer will, within thirty (30) days next following the Contracting Officer's receipt of a joint written request from Lessor and a prospective lender or purchaser of the building, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this clause and, if such is the case, that (1) the lease is in full force and effect; (2) the date to which the rent and other charges have been paid in advance, if any; and (3) whether any notice of default has been issued.

(b) Letters issued pursuant to this clause are subject to the following conditions:

- (1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;
- (2) That the Government shall not be held liable because of any defect in or condition of the premises or building;
- (3) That the Contracting Officer does not warrant or represent that the premises or building comply with applicable Federal, State and local law; and
- (4) That the Lessor, and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable pre-purchase and pre-commitment inspection of the Premises and Building and by inquiry to appropriate Federal, State and local Government officials.

**5. GSAR 552.270-25 SUBSTITUTION OF TENANT AGENCY (SEP 1999)**

The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease.

**6. GSAR 552.270-26 NO WAIVER (SEP 1999)**

No failure by either party to insist upon the strict performance of any provision of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by either party during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

**7. GSAR 552.270-27 INTEGRATED AGREEMENT (SEP 2022) (DEVIATION)**

This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the lease. Except as expressly attached to and made a part of the lease, neither the request for lease proposals nor any pre-award communications by either party shall be incorporated in the lease.

**8. GSAR 552.270-28 MUTUALITY OF OBLIGATION (SEP 1999)**

The obligations and covenants of the Lessor, and the Government's obligation to pay rent and other Government obligations and covenants, arising under or related to this Lease, are interdependent. The Government may, upon issuance of and delivery to Lessor of a final decision asserting a claim against Lessor, set off such claim, in whole or in part, as against any payment or payments then or thereafter due the Lessor under this lease. No setoff pursuant to this clause shall constitute a breach by the Government of this lease.

**9. GSAR 552.270-17 DELIVERY AND CONDITION (SEP 2022) (DEVIATION)**

- (a) Unless the Government elects to have the space occupied in increments, the space must be delivered ready for occupancy as a complete unit.

- (b) The Government may elect to accept the space notwithstanding the Lessor's failure to deliver the space substantially complete; if the Government so elects, it may reduce the rent payments.

#### **10. DEFAULT BY LESSOR (APR 2012)**

- (a) The following conditions shall constitute default by the Lessor, and shall give rise to the following rights and remedies for the Government:

- (1) Prior to Acceptance of the Premises. Failure by the Lessor to diligently perform all obligations required for Acceptance of the Space within the times specified, without excuse, shall constitute a default by the Lessor. Subject to provision of notice of default to the Lessor, and provision of a reasonable opportunity for the Lessor to cure its default, the Government may terminate the Lease on account of the Lessor's default.

- (2) After Acceptance of the Premises. Failure by the Lessor to perform any service, to provide any item, or satisfy any requirement of this Lease, without excuse, shall constitute a default by the Lessor. Subject to provision of notice of default to the Lessor, and provision of a reasonable opportunity for the Lessor to cure its default, the Government may perform the service, provide the item, or obtain satisfaction of the requirement by its own employees or contractors. If the Government elects to take such action, the Government may deduct from rental payments its costs incurred in connection with taking the action. Alternatively, the Government may reduce the rent by an amount reasonably calculated to approximate the cost or value of the service not performed, item not provided, or requirement not satisfied, such reduction effective as of the date of the commencement of the default condition.

- (3) Grounds for Termination. The Government may terminate the Lease if:

- (i) The Lessor's default persists notwithstanding provision of notice and reasonable opportunity to cure by the Government, or
    - (ii) The Lessor fails to take such actions as are necessary to prevent the recurrence of default conditions,

and such conditions (i) or (ii) substantially impair the safe and healthful occupancy of the Premises, or render the Space unusable for its intended purposes.

- (4) Excuse. Failure by the Lessor to timely deliver the Space or perform any service, provide any item, or satisfy any requirement of this Lease shall not be excused if its failure in performance arises from:

- (i) Circumstances within the Lessor's control;
    - (ii) Circumstances about which the Lessor had actual or constructive knowledge prior to the Lease Award Date that could reasonably be expected to affect the Lessor's capability to perform, regardless of the Government's knowledge of such matters;
    - (iii) The condition of the Property;
    - (iv) The acts or omissions of the Lessor, its employees, agents or contractors; or
    - (v) The Lessor's inability to obtain sufficient financial resources to perform its obligations.

- (5) The rights and remedies specified in this clause are in addition to any and all remedies to which the Government may be entitled as a matter of law.

**11. GSAR 552.270-19****PROGRESSIVE OCCUPANCY (SEP 1999)**

The Government shall have the right to elect to occupy the space in partial increments prior to the substantial completion of the entire leased premises, and the Lessor agrees to schedule its work so as to deliver the space incrementally as elected by the Government. The Government shall pay rent commencing with the first business day following substantial completion of the entire leased premise unless the Government has elected to occupy the leased premises incrementally. In case of incremental occupancy, the Government shall pay rent pro rata upon the first business day following substantial completion of each incremental unit. Rental payments shall become due on the first workday of the month following the month in which an increment of space is substantially complete, except that should an increment of space be substantially completed after the fifteenth day of the month, the payment due date will be the first workday of the second month following the month in which it was substantially complete. The commencement date of the firm lease term will be a composite determined from all rent commencement dates.

**12. GSAR 552.270-6****MAINTENANCE OF THE PROPERTY, RIGHT TO INSPECT (SEP 2022) (DEVIATION)**

The Lessor shall maintain the property, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the Lessor under this lease, in good repair and tenantable condition so that they are suitable in appearance and capable of supplying such heat, air conditioning, light, ventilation, safety systems, access and other things to the premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the premises as provided in this lease.

- (a) For the purpose of so maintaining the premises, the Lessor may at reasonable times enter the premises with the approval of the authorized Government representative in charge.
- (b) Upon request of the Lease Contracting Officer (LCO), the Lessor shall provide written documentation that building systems have been properly maintained, tested, and are operational within manufacturer's warranted operating standards.
- (c) The Lessor shall maintain the premises in a safe and healthful condition according to applicable OSHA standards and all other requirements of this lease, including standards governing indoor air quality, existence of mold and other biological hazards, presence of hazardous materials, etc.
- (d) The Government shall have the right, at any time after the lease award date and during the term of the lease, to inspect all areas of the property to which access is necessary for the purpose of determining the Lessor's compliance with this clause.

**13. GSAR 552.270-7****FIRE AND CASUALTY DAMAGE (SEP 2022) (DEVIATION)**

- (a) If the building in which the premises are located is totally destroyed or damaged by fire or other casualty, this lease shall immediately terminate.
- (b) If the building in which the premises are located are only partially destroyed or damaged, so as to render the premises untenable, or not usable for their intended purpose:
  - (1) The Lessor shall have the option to elect to repair and restore the premises or terminate the lease.
  - (2) Unless otherwise approved by the Lease Contracting Officer, the Lessor shall be permitted a reasonable amount of time, not to exceed 270 days from the event of destruction or damage, to repair or restore the premises, provided that the Lessor submits to the Government a reasonable schedule for repair of the premises within 60 days of the event of destruction or damage.
    - (i) If the Lessor fails to timely submit a reasonable schedule for completing the work, the Government may elect to terminate the lease effective as of the date of the event of destruction or damage.
    - (ii) If the Lessor elects to repair or restore the premises, but fails to repair or restore the premises within 270 days from the event of destruction or damage, or fails to diligently pursue such repairs or restoration so as to render timely completion commercially impracticable, the Government may terminate the lease effective as of the date of the destruction or damage.



- (3) During the time that the premises are unoccupied, rent shall be abated. Termination of the lease by either party under this clause shall not give rise to liability for either party.
- (4) Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

**14. GSAR 552.270-8                      COMPLIANCE WITH APPLICABLE LAW (SEP 2022) (DEVIATION)**

Lessor shall comply with all Federal, state, tribal, and local laws applicable to its ownership and leasing of the property, including, without limitation, laws applicable to the construction, ownership, alteration or operation of all buildings, structures, and facilities located thereon, and obtain all necessary permits, licenses and similar items at its own expense. The Government will comply with all Federal, state, tribal, and local laws applicable to and enforceable against it as a tenant under this lease, provided that nothing in this lease shall be construed as a waiver of the sovereign immunity of the Government. This lease shall be governed by Federal law.

**15. GSAR 552.270-12                      ALTERATIONS (SEP 1999)**

The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. If the lease contemplates that the Government is the sole occupant of the building, for purposes of this clause, the leased premises include the land on which the building is sited and the building itself. Otherwise, the Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space.

**16. GSAR 552.270-29                      ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (SEP 2022) (DEVIATION)**

- (a) Ten (10) working days prior to the completion of the space, the Lessor shall issue written notice to the Government to schedule the inspection of the space for acceptance. The Government shall accept the space only if the construction of building shell and tenant improvements conforming to this lease and the approved design intent drawings (DIDs) is substantially complete, and a certificate of occupancy has been issued as set forth below.
- (b) The space shall be considered substantially complete only if the space may be used for its intended purpose and completion of remaining work will not unreasonably interfere with the Government's enjoyment of the space. Acceptance shall be final and binding upon the Government with respect to conformance of the completed tenant improvements to the approved DIDs, with the exception of items identified on a punchlist generated as a result of the inspection, concealed conditions, latent defects, or fraud, but shall not relieve the Lessor of any other lease requirements.
- (c) The Lessor shall provide a valid certificate of occupancy, issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue certificates of occupancy or if the certificate of occupancy is not available, the Lessor may satisfy this condition by providing a report prepared by a licensed fire protection engineer that indicates that the premises and building are compliant with all applicable local codes and ordinances and all fire protection and life safety-related requirements of this lease to ensure an acceptable level of safety is provided. Under such circumstances, the Government shall only accept the space without a certificate of occupancy if a licensed fire protection engineer determines that the offered space is compliant with all applicable local codes and ordinances and fire protection and life safety-related requirements of this lease.

**17. FAR 52.204-13****SYSTEM FOR AWARD MANAGEMENT MAINTENANCE (OCT 2018)**

*This clause is incorporated by reference.*

**18. GSAR 552.270-31****PROMPT PAYMENT (JUN 2011)**

The Government will make payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. All days referred to in this clause are calendar days, unless otherwise specified.

*(a) Payment due date—*

- (1) *Rental payments.* Rent shall be paid monthly in arrears and will be due on the first workday of each month, and only as provided for by the lease.
  - (i) When the date for commencement of rent falls on the 15th day of the month or earlier, the initial monthly rental payment under this contract shall become due on the first workday of the month following the month in which the commencement of the rent is effective.
  - (ii) When the date for commencement of rent falls after the 15th day of the month, the initial monthly rental payment under this contract shall become due on the first workday of the second month following the month in which the commencement of the rent is effective.
- (2) *Other payments.* The due date for making payments other than rent shall be the later of the following two events:
  - (i) The 30th day after the designated billing office has received a proper invoice from the Contractor.
  - (ii) The 30th day after Government acceptance of the work or service. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

*(b) Invoice and inspection requirements for payments other than rent.*

- (1) The Contractor shall prepare and submit an invoice to the designated billing office after completion of the work. A proper invoice shall include the following items:
  - (i) Name and address of the Contractor.
  - (ii) Invoice date.
  - (iii) Lease number.
  - (iv) Government's order number or other authorization.
  - (v) Description, price, and quantity of work or services delivered.
  - (vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the remittance address in the lease or the order).
  - (vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

- (2) The Government will inspect and determine the acceptability of the work performed or services delivered within seven days after the receipt of a proper invoice or notification of completion of the work or services unless a different period is specified at the time the order is placed. If actual acceptance occurs later, for the purpose of determining the payment due date and calculation of interest, acceptance will be deemed to occur on the last day of the seven day inspection period. If the work or service is rejected for failure to conform to the technical requirements of the contract, the seven days will be counted beginning with receipt of a new invoice or notification. In either case, the Contractor is not entitled to any payment or interest unless actual acceptance by the Government occurs.

(c) *Interest Penalty.*

- (1) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date.
- (2) The interest penalty shall be at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the **Federal Register** semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date.
- (3) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than one year. Interest penalties of less than \$1.00 need not be paid.
- (4) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

(d) *Overpayments.* If the Lessor becomes aware of a duplicate payment or that the Government has otherwise overpaid on a payment, the Contractor shall—

- (1) Return the overpayment amount to the payment office cited in the contract along with a description of the overpayment including the—
  - (i) Circumstances of the overpayment (e.g., duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment);
  - (ii) Affected lease number; (iii) Affected lease line item or sub-line item, if applicable; and
  - (iii) Lessor point of contact.
- (2) Provide a copy of the remittance and supporting documentation to the Contracting Officer.

**19. FAR 52.232-23**

**ASSIGNMENT OF CLAIMS (MAY 2014)**

(Applicable to leases over the micro-purchase threshold.)

- (a) The Contractor, under the Assignment of Claims Act, as amended, [31 U.S.C. 3727](#), [41 U.S.C. 6305](#) (hereafter referred to as "the Act"), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or

reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

- (b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.
- (c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

## **20. PAYMENT (SEP 2022)**

- (a) When space is offered and accepted, the amount of ABOA square footage delivered will be confirmed by:
  - (1) The Government's measurement of plans submitted by the successful Offeror as approved by the Government, and an inspection of the space to verify that the delivered space is in conformance with such plans or
  - (2) A mutual on-site measurement of the space, if the Contracting Officer determines that it is necessary.
- (b) Payment will not be made for space which is in excess of the amount of ABOA square footage stated in the lease.
- (c) If it is determined that the amount of ABOA square footage actually delivered is less than the amount agreed to in the lease, the lease will be modified to reflect the amount of ABOA space delivered and the annual rental will be adjusted as follows:

ABOA square feet not delivered multiplied by one plus the common area factor (CAF), multiplied by the rate per rentable square foot (RSF). That is:  $(1+CAF) \times \text{Rate per RSF} = \text{Reduction in Annual Rent}$

## **21. FAR 52.232-33                      PAYMENT BY ELECTRONIC FUNDS TRANSFER—SYSTEM FOR AWARD MANAGEMENT (OCT 2018)**

*This clause is incorporated by reference.*

## **22. FAR 52.203-13                      CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (NOV 2021)**

(Applicable to leases over \$6 million total contract value and performance period is 120 days or more.)

*This clause is incorporated by reference.*

## **23. GSAR 552.270-32                      COVENANT AGAINST CONTINGENT FEES (JUN 2011)**

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

- (a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

- (b) *Bona fide agency*, as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.
- (1) *Bona fide employee*, as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.
- (2) *Contingent fee*, as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.
- (3) *Improper influence*, as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

**24. FAR 52.203-7                      ANTI-KICKBACK PROCEDURES (JUN 2020)**

(Applicable to leases over \$150,000 total contract value.)

*This clause is incorporated by reference.*

**25. FAR 52.223-6                      DRUG-FREE WORKPLACE (MAY 2001)**

(Applicable to leases over the Simplified Lease Acquisition Threshold, as well as to leases of any value awarded to an individual.)

*This clause is incorporated by reference.*

**26. FAR 52.203-14                      DISPLAY OF HOTLINE POSTER(S) (NOV 2021)**

(Applicable to leases over \$6 Million total contract value.)

*This clause is incorporated by reference.*

**27. GSAR 552.270-30                      PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JUN 2011)**

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

- (a) If the head of the contracting activity (HCA) or his or her designee determines that there was a violation of subsection 27(a) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in the Federal Acquisition Regulation, the Government, at its election, may—
- (1) Reduce the monthly rental under this lease by five percent of the amount of the rental for each month of the remaining term of the lease, including any option periods, and recover five percent of the rental already paid;
- (2) Reduce payments for alterations not included in monthly rental payments by five percent of the amount of the alterations agreement; or
- (3) Reduce the payments for violations by a Lessor's subcontractor by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was placed.

- (b) Prior to making a determination as set forth above, the HCA or designee shall provide to the Lessor a written notice of the action being considered and the basis thereof. The Lessor shall have a period determined by the agency head or designee, but not less than 30 calendar days after receipt of such notice, to submit in person, in writing, or through a representative, information and argument in opposition to the proposed reduction. The agency head or designee may, upon good cause shown, determine to deduct less than the above amounts from payments.
- (c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this lease.

**28. FAR 52.215-10                      PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (AUG 2011)**

(Applicable when cost or pricing data are required for work or services over \$2,000,000.)

*This clause is incorporated by reference.*

**29. GSAR 552.270-13                      PROPOSALS FOR ADJUSTMENT (OCT 2016)**

*This clause is incorporated by reference.*

**30. GSAR 552.270-14                      CHANGES (SEP 2022) (DEVIATION)**

- (a) The Lease Contracting Officer (LCO) may at any time, by written order, direct changes to the tenant improvements within the space, building security requirements, or the services required under the lease.
- (b) If any such change causes an increase or decrease in Lessor's cost or time required for performance of its obligations under this lease, whether or not changed by the order, the Lessor shall be entitled to an amendment to the lease providing for one or more of the following:
  - (1) An adjustment of the delivery date.
  - (2) An equitable adjustment in the rental rate.
  - (3) A lump sum equitable adjustment. or
  - (4) An adjustment of the operating cost base, if applicable.
- (c) The Lessor must assert its right to an amendment under this clause within 30 days from the date of receipt of the change order and must submit a proposal for adjustment. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, the pendency of an adjustment or existence of a dispute shall not excuse the Lessor from proceeding with the change as directed.
- (d) Absent a written change order from the LCO, or from a Government official to whom the LCO has explicitly and in writing delegated the authority to direct changes, the Government is not liable to Lessor under this clause.

**31. GSAR 552.215-70 EXAMINATION OF RECORDS BY GSA (JUN 2016)**

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

*This clause is incorporated by reference.*

**32. FAR 52.215-2 AUDIT AND RECORDS—NEGOTIATION (JUN 2020)**

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

*This clause is incorporated by reference.*

**33. FAR 52.233-1 DISPUTES (MAY 2014)**

*This clause is incorporated by reference.*

**34. FAR 52.222-26 EQUAL OPPORTUNITY (SEP 2016)**

*This clause is incorporated by reference.*

**35. FAR 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (APR 2015)**

*This clause is incorporated by reference.*

**36. FAR 52.219-28 POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION (SEP 2021)**

(Applicable to leases exceeding the micro-purchase threshold.)

*This clause is incorporated by reference.*

**37. FAR 52.222-35 EQUAL OPPORTUNITY FOR VETERANS (JUN 2020)**

(Applicable to leases \$150,000 or more, total contract value.)

(a) *Definitions.* As used in this clause-

“Active duty wartime or campaign badge veteran,” “Armed Forces service medal veteran,” “disabled veteran,” “protected veteran,” “qualified disabled veteran,” and “recently separated veteran” have the meanings given at Federal Acquisition Regulation (FAR) [22.1301](#).

(b) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-300.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) Subcontracts. The Contractor shall insert the terms of this clause in subcontracts valued at or above the threshold specified in FAR [22.1303](#)(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(Applicable to leases over \$15,000 total contract value.)

- (a) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.
- (b) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of the threshold specified in Federal Acquisition Regulation (FAR) [22.1408](#)(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.



**39. FAR 52.222-37                      EMPLOYMENT REPORTS ON VETERANS (JUN 2020)**

(Applicable to leases \$150,000 or more, total contract value.)

*This clause is incorporated by reference.*

**40. FAR 52.209-6    PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (NOV 2021)**

(Applicable to leases over \$35,000 total contract value.)

*This clause is incorporated by reference.*

**41. FAR 52.215-12    SUBCONTRACTOR CERTIFIED COST OR PRICING DATA (JUN 2020)**

(Applicable if over \$2,000,000 total contract value.)

*This clause is incorporated by reference.*

**42. FAR 52.219-8                      UTILIZATION OF SMALL BUSINESS CONCERNS (OCT 2018)**

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

*This clause is incorporated by reference.*

**43. FAR 52.219-9                      SMALL BUSINESS SUBCONTRACTING PLAN (NOV 2021) ALTERNATE III (JUN 2020)**

(Applicable to leases over \$750,000 total contract value.)

*This clause is incorporated by reference.*

**44. FAR 52.219-16                      LIQUIDATED DAMAGES—SUBCONTRACTING PLAN (SEP 2021)**

(Applicable to leases over \$750,000 total contract value.)

*This clause is incorporated by reference.*

**45. FAR 52.204-10                      REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS (JUN 2020)**

(Applicable if over \$30,000 total contract value.)

*This clause is incorporated by reference.*

**46. FAR 52.204-2                      SECURITY REQUIREMENTS (MAR 2021)**

(Applicable when the contract may require access to classified information.)

*This clause is incorporated by reference.*

**47. FAR 52.204-9                      PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2011)**

*This clause is incorporated by reference.*

**48. GSAR 552.204-9**

**PERSONAL IDENTITY VERIFICATION REQUIREMENTS (JUL 2021)**

*This clause is incorporated by reference.*

**49. FAR 52.204-21  
(NOV 2021)**

**BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS**

(a) *Definitions.* As used in this clause—

*Covered contractor information system* means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

*Federal contract information* means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not including information provided by the Government to the public (such as on public websites) or simple transactional information, such as necessary to process payments.

*Information* means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual (Committee on National Security Systems Instruction (CNSSI) 4009).

*Information system* means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information ( [44 U.S.C. 3502](#)).

*Safeguarding* means measures or controls that are prescribed to protect information systems.

(b) Safeguarding requirements and procedures.

- (1) The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:
  - (i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).
  - (ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.
  - (iii) Verify and control/limit connections to and use of external information systems.
  - (iv) Control information posted or processed on publicly accessible information systems.
  - (v) Identify information system users, processes acting on behalf of users, or devices.
  - (vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.
  - (vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.
  - (viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.

- (ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
- (x) Monitor, control, and protect organizational communications (*i.e.*, information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.
- (xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.
- (xii) Identify, report, and correct information and information system flaws in a timely manner.
- (xiii) Provide protection from malicious code at appropriate locations within organizational information systems.
- (xiv) Update malicious code protection mechanisms when new releases are available.
- (xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

(2) *Other requirements.* This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.

(c) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial products or commercial services, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.

**50. FAR 52.204-23 PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES (NOV 2021)**

*This clause is incorporated by reference.*

**51. FAR 52.204-25 PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (NOV 2021)**

(a) *Definitions.* As used in this clause—

*Backhaul* means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (*e.g.*, connecting cell phones/towers to the core telephone network). Backhaul can be wireless (*e.g.*, microwave) or wired (*e.g.*, fiber optic, coaxial cable, Ethernet).

*Covered foreign country* means The People's Republic of China.

*Covered telecommunications equipment or services* means—

- (1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
- (2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou

Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

- (3) Telecommunications or video surveillance services provided by such entities or using such equipment; or
- (4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

*Critical technology* means—

- (1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;
- (2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled-
  - (i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or
  - (ii) For reasons relating to regional stability or surreptitious listening;
- (3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);
- (4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);
- (5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or
- (6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

*Interconnection arrangements* means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

*Reasonable inquiry* means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

*Roaming* means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

*Substantial or essential component* means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) *Prohibition.*

- (1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR [4.2104](#).
- (2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR [4.2104](#). This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

(c) *Exceptions.* This clause does not prohibit contractors from providing—

- (1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
- (2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) *Reporting requirement.*

- (1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d)(2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information; in the case of the Department of Defense, the Contractor shall report to the website at <https://dibnet.dod.mil>. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order or, in the case of the Department of Defense, identify both the indefinite delivery contract and any affected orders in the report provided at <https://dibnet.dod.mil>.
- (2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause
  - (i) Within one business day from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.
  - (ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission

of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

- (e) *Subcontracts*. The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (b)(2), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial products or commercial services.

**52. INTENTIONALLY DELETED**

**53. FAR 52.204-19 INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS (DEC 2014)**

*This clause is incorporated by reference.*