



August 15, 2019

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

NOTICE is hereby given that a regular meeting of the Finance and Administration Committee will be held on Monday, August 19, 2019, at 9:30 a.m., or immediately following the Commission meeting, in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

A handwritten signature in black ink that reads "Terri Williams". The signature is fluid and cursive.

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

REGULAR MEETING
OF THE
FINANCE AND ADMINISTRATION COMMITTEE

Airport Skyroom
Monday, August 19, 2019
9:30 a.m., or Immediately Following
the Conclusion of the
Commission Meeting

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

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

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

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



The following activities are prohibited:

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



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



In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.

AGENDA

Monday, August 19, 2019

1. Approval of Agenda
2. Public Comment
3. Approval of Minutes

- a. July 15, 2019

[See page 1]

4. Contracts and Leases

- a. Replacement Passenger Terminal Project Consultant Agreements for Financial Feasibility and Advisory Services, Technical Support, Airline Coordination Services and Outreach/Support Services

[See page 4]

Staff report attached. To continue the advancement of the Replacement Passenger Terminal ("RPT") project, Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission for approval of second year funding with four consultants, and an award of a new Professional Services Agreement ("Agreement") to one consultant, currently providing financial, outreach, or technical support services related to the development of the RPT project: Ricondo & Associates, Public Resources Advisory Group, Moroney & Associates, Airport & Aviation Professionals Inc., and Woodward & Associates.

5. Items for Information

- a. Information Update: FY 2020 Authority Insurance Policy Renewal

[No staff report]

No staff report attached. Representatives from Willis Watson Tower, the Authority's insurance broker, will present the results of the FY 2020 Insurance Policy Renewal Program.

- b. Committee Pending Items

6. Other Contracts and Leases

7. Adjournment

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

MONDAY, JULY 15, 2019

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 12:22 p.m., by Commissioner Gharpetian.

AB 23 Disclosure: The Senior Deputy Executive Director announced that, as a result of the convening of this meeting of the Finance and Administration Committee, each Committee member is entitled to receive and shall be provided \$200.

ROLL CALL

Present: Commissioners Gharpetian, Selvidge and Adams

Absent: None

Also Present: Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Scott Kimball, Director, Contracts, Properties, Procurement and SMS; David Kwon, Director, Finance and Administration

1. Approval of Agenda

Agenda was approved as presented.

2. Public Comment

There were no public comments.

3. Approval of Minutes

a. June 17, 2019

Draft minutes for the June 17, 2019, Finance and Administration Committee meeting were presented for approval.

Motion

Commissioner Selvidge moved approval of the minutes, seconded by Commissioner Adams.

Motion Approved

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

NOTE: Agenda Item 5.a. was taken out of order.

5. Contracts and Leases

a. Award of Aviation Hangar Lease – Hangar 38

Staff presented to the Committee for recommendation to the Commission for approval an Aviation Hangar Lease (“Lease”) between the Avalon Capital Group, Inc. (“Avalon”) and the Burbank-Glendale-Pasadena Airport Authority (“Authority”) for Hangar 38.

Avalon is a privately held investment company that is currently a tenant at Van Nuys Airport. Their current fleet consists of one Global Express XRS aircraft to be replaced with a new and larger Global 7500 aircraft next year. If approved, Avalon will relocate its base of operation of the aircraft to Hangar 38.

The proposed Lease is for a term of three years with one three-year extension and includes a Tenant Improvement Allowance of up to \$167,349 in the form of rent credit for Authority-approved tenant improvements to the facility. Avalon proposes to undertake tenant improvement construction during the first three months of the lease.

The proposed Lease includes rent of \$23,616 per month effective December 1, 2019, increasing to \$26,455 per month effective April 1, 2020, after tenant improvement construction.

MOTION

Commissioner Selvidge moved approval; seconded by Commissioner Adams.

MOTION APPROVED

The motion was voted unanimously (3–0) for approval.

4. Treasurer’s Reports

a. April 2019

A copy of the April 2019 Treasurer’s Report was included in the agenda packet for the Committee’s review.

b. May 2019

A copy of the May 2019 Treasurer’s Report was included in the agenda packet for the Committee’s review.

MOTION

Commissioner Adams moved approval; seconded by Commissioner Selvidge.

MOTION APPROVED

There being no objection, the Committee unanimously voted to recommend that the Treasurer's reports be forwarded to the Commission to note and file.

6. Items for Information

a. Committee Pending Items

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

7. Other Contracts and Leases

There were no other contracts and leases to be discussed.

8. Adjournment

There being no further business to discuss, the meeting was adjourned at 12:37 p.m.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
AUGUST 19, 2019**

**REPLACEMENT PASSENGER TERMINAL PROJECT CONSULTANT AGREEMENTS
FOR FINANCIAL FEASIBILITY AND ADVISORY SERVICES, TECHNICAL SUPPORT,
AIRLINE COORDINATION SERVICES AND OUTREACH / SUPPORT SERVICES**

SUMMARY

To continue the advancement of the Replacement Passenger Terminal (“RPT”) project, Staff seeks a Finance and Administration Committee (“Committee”) recommendation to the Commission for approval of second year funding with four consultants, and an award of a new Professional Services Agreement (“Agreement”) to one consultant, currently providing financial, outreach, or technical support services related to the development of the RPT project:

- 1.) Financial Feasibility and Advisory Services (Second Year Funding)
 - a. Ricondo & Associates (“Ricondo”)
 - b. Public Resources Advisory Group (“PRAG”)
 - c. Moroney & Associates (“Moroney”)

- 2.) Technical Support and Airline Coordination Services (Second Year Funding)
 - a. Airport & Aviation Professionals Inc. (“AvAirPros”)

- 3.) Outreach and Support Services (New Agreement)
 - a. Woodward & Associates (“Woodward”)

BACKGROUND

Since the passage of Measure B in November 2016, the Authority has been undertaking numerous steps toward the development of the RPT project. Milestones to date include: an approved revised Airport Layout Plan; an approved Human Health Risk Assessment for the Adjacent Property; completed concept validation and cost estimate study; initiation of the public charrettes which are scheduled to be completed by December 2019; selection of the Progressive Design Build project delivery method; and initiation of the loan application process for U.S. Department of Transportation (“USDOT”) credit programs through the Build America Bureau. Additionally, upon completion of the design charrette process, a report by the charrette facilitator will be provided to the Environmental Impact Statement (“EIS”) consultant to review and incorporate, as appropriate, into the draft EIS which is expected to be completed by the Federal Aviation Administration (“FAA”) in Spring 2020.

For FY 2020, the major emphasis will be: completing the plan of finance; obtaining FAA approval of the Passenger Facility Charge application in support of the RPT project; performing additional cost analysis and life cycle cost estimates; completing the feasibility

reports and credit rating presentations required for the USDOT loan application submittals; and refinement of the financial modeling to support the future replacement Airport Use Agreement negotiations.

Additionally, continued technical support and coordination with the airlines will be critical as the project begins to formulate around the results of the EIS and discussions for a replacement Airport Use Agreement commence. Staff also is seeking to continue the outreach services with FAA leadership utilizing Woodward's services, with emphasis on consideration of Airport Improvement Program funding and the overall federal financial support.

PROPOSED AGREEMENTS

To continue the advancement of the RPT project, Staff recommends that the Committee recommend to the Commission that it authorize the proposed budget for Year Two of the existing contracts with the following consultants currently providing financial, outreach, or technical support services for the project:

1.) Financial Feasibility and Advisory Services

- a. Ricondo
 - i. Year Two of a two-year term with one-year option
 - ii. Year One Budget - \$75,000
 - iii. Proposed Year Two Budget - \$295,000
 - iv. Termination: either party; fifteen (15) days prior notice

- b. PRAG
 - i. Year Two of a two-year term with one-year option
 - ii. Year One Budget - \$100,000
 - iii. Proposed Year Two Budget - \$100,000
 - iv. Termination: either party; fifteen (15) days prior notice

- c. Moroney
 - i. Year Two of a two-year term with one-year option
 - ii. Year One Budget - \$75,000
 - iii. Proposed Year Two Budget - \$75,000
 - iv. Termination: either party; fifteen (15) days prior notice

2.) Technical Support and Airline Coordination Services

- a. AvAirPros
 - i. Year Two of a two-year term with one-year option
 - ii. Year One Budget - \$100,000
 - iii. Proposed Year Two Budget - \$100,000
 - iv. Termination: either party; fifteen (15) days prior notice

The scope of services for Moroney and AvAirPros remain the same as in FY 2019. The

revised scope of work for FY 2020 to meet the requirements for the U.S. DOT loan application and any potential future bond sale for both Ricondo and PRAG are attached.

Staff further recommends an award of a new Agreement, copy attached, for the following to continue providing outreach services with FAA as described above:

3.) Outreach and Support Services – Federal Aviation Administration

a. Woodward

- i. Two-year term effective July 1, 2019
- ii. Budget: Year One: \$3,000 per month
- iii. Termination: either party; fifteen (15) day prior notice

Woodward has been providing liaison assistance to Staff with the local, regional and headquarter offices of the FAA. Previous services were provided under a minor professional services agreement. Staff still needs Woodward's assistance with various levels of the FAA leadership and has negotiated a new Agreement at the rate of \$3,000 per month, which is the same rate level for previous services. The cumulative total of the previous agreement with the proposed new Agreement will exceed \$75,000 and is therefore brought to the Committee for consideration.

These consultants have been working with Staff over the past two years on various aspects of the RPT project and have been instrumental in helping to achieve numerous minor and major milestones. The continuation of the services provided by these consultants will assist Staff with achieving the next steps in the financing of the RPT project.

FUNDING

Appropriations for these services were included in the adopted FY 2020 budget with the funding for these services coming from the Facility Improvement Program, Replacement Passenger Terminal Project line item.

RECOMMENDATION

Staff seeks the Committee's recommendation to the Commission for approval of the second year funding for Ricondo, PRAG, Moroney, and, AvAirPros, and approval of a new Agreement with Woodward as described above.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
AUGUST 19, 2019**

COMMITTEE PENDING ITEMS

Future

1. UPS Lease
2. June 2019 Treasurer's Report
3. Purchase Order Minor Lease Update
4. CMIA Quarterly Investment Portfolio Review (April-June)
5. FY 2019 Financial Audit: Auditor Required Communications