



OCTOBER 1, 2020

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

NOTICE is hereby given that a regular meeting of the Finance and Administration Committee will be held Monday, October 5, 2020, at 9:30 a.m., or immediately following the Commission meeting, in the Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505

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

*Dial In: (978) 990-5000*

*Access Code: 880737#*

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

REGULAR MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE

Skyroom  
Monday, October 5, 2020  
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, October 5, 2020

1. Approval of Agenda

2. Public Comment

3. Approval of Minutes

a. September 21, 2020

**[See page 1]**

4. Contracts & Leases

a. Third Amendment to Ground Lease – MV Transportation

**[See page 3]**

***Staff seeks a Finance and Administration Committee recommendation to the Commission to approve a proposed Third Amendment (“Amendment”) to Ground Lease dated October 1, 2011 with MV Transportation, Inc. The proposed Amendment will revise the performance term of the Ground Lease to a month-to-month term.***

5. Items for Information

a. Committee Pending Items

**[See page 8]**

6. Other Contracts and Leases

7. Adjournment

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

**MONDAY, SEPTEMBER 21, 2020**

A regular meeting of the Finance and Administration Committee was called to order on this date in the Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California, at 10:32 a.m., by Commissioner Selvidge.

AB 23 Disclosure: The Senior Deputy 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 Selvidge (via teleconference),  
Commissioner Adams and Najarian (via  
teleconference)

**Absent:**

None

**Also Present:**

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

**1. Approval of Agenda**

Agenda was approved as presented.

**Motion**

Commissioner Adams moved approval of the  
agenda, seconded by Commissioner Najarian.

**Motion Approved**

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

**2. Public Comment**

There were no public comments.

**3. Approval of Minutes**

**a. August 17, 2020**

Draft minutes for the August 17, 2020, regular  
meeting of the Finance and Administration  
Committee meeting was presented for approval.

**Motion**

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

**Motion Approved**

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

**4. Treasurer's Report**

**a. June 2020**

A copy of the June 2020 Treasurer's Report was included in the agenda packet for the Committee's review.

**Motion**

Commissioner Adams moved approval, seconded by Commissioner Najarian.

**Motion Approved**

There being no objection the motion was unanimously approved (3-0) that it be forwarded to the Commission for note and file.

**5. Items for Information**

**a. Committee Pending Items**

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

**6. Other Contracts and Leases**

There were no other contracts and leases.

**7. Adjournment**

There being no further business to discuss, the meeting was adjourned at 10:52 a.m.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
OCTOBER 5, 2020**

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

**SUMMARY**

Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission to approve a proposed Third Amendment ("Amendment") to Ground Lease dated October 1, 2011 with MV Transportation, Inc. ("MV Transportation"). The proposed Amendment, copy attached, will revise the performance term of the Ground Lease to a month-to-month term.

**BACKGROUND**

In 2011, the City of Burbank ("City") awarded a contract to MV Transportation to operate its "Burbank Bus" service. Burbank Bus provides public transit service to various locations within the City of Burbank including a stop on Hollywood Way and Thornton.

On October 1, 2011, the Authority entered into a Ground Lease Agreement ("Agreement") with MV Transportation consisting of 11,762 square feet of paved space to store and park Burbank Bus buses for a period of three (3) years.

The Agreement was amended in September 2014 to extend the performance term for two (2) years and September 2016 for an additional four (4) years. The current Agreement expired on September 30, 2020.

Prior to the expiration, MV Transportation and Staff were in discussions on a revised term. However, due to the impacts of COVID-19, MV Transportation is seeking to amend the Agreement from a fixed term to a month-to-month basis.

**DETAILS**

Key components of the proposed Third Amendment to Ground Lease are as follows:

Use:	Parking and storage of approximately sixteen (16) buses used in the operation of the City of Burbank's Burbank Bus service. Servicing of vehicles is prohibited.
Premises:	11,762 square feet of paved space located at 3850 - 1/3 Cohasset St., Burbank, CA 91505.
Term:	Month-to-Month
Termination:	Either party shall have the right to terminate the Agreement at any time, with or without cause, by delivering to the other party at least thirty (30) days' prior written notice.

Rent: The current monthly rent of \$2,326.36 will be increased to \$2,396.15 retroactive to October 1, 2020.

Adjustments: Annual adjustments at 120% of CPI not to exceed 6% will occur on the anniversary date of the Lease.

#### BUDGET IMPACT

The proposed Amendment is expected to have a positive revenue impact upon an immediate 3% adjustment and generate \$2,396.15 per month.

#### STAFF RECOMMENDATION

Staff recommends that the Finance and Administration Committee recommend to the Commission approval of Third Amendment to the Ground Lease with MV Transportation, Inc., and to authorize the Authority President to execute same.

### THIRD AMENDMENT TO GROUND LEASE

This THIRD AMENDMENT TO GROUND LEASE (this "Third Amendment") is dated as of \_\_\_\_\_, 2020 and is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and MV TRANSPORTATION, INC., a California corporation ("Tenant").

#### RECITALS

A. Landlord and Tenant entered into a Ground Lease dated October 1, 2011 and amended it by a First Amendment to Ground Lease dated September 15, 2014 and a Second Amendment to Ground Lease dated September 19, 2016 (the "Lease").

B. The Lease expires on September 30, 2020.

C. Landlord and Tenant desire to create a month to month tenancy upon the expiration of the Lease, and otherwise amend the Lease to extend the Lease as provided in this Third Amendment.

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. Term. As of September 30, 2020, the Lease shall become a month to month tenancy terminable by either party upon thirty (30) days' prior written notice to the other.
2. CASp Statement. The following is hereby added to Section 1.1 of the Lease:

The subject leased premises have not been inspected by a Certified Access Specialist (CASp). A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

Landlord, and Tenant hereby agree, however, that Landlord shall not bear the cost of any such inspections or repairs, it being the intent and agreement of Landlord and Tenant that any such repairs must be performed by Tenant.

3. Monthly Rent. As of October 1, 2020, the Monthly Rent shall be \$2,396.15. However, Monthly Rent shall be adjusted on each anniversary of such date in accordance with Section 3.1.2 of the Lease, and Section 3.1.2 of the Lease is hereby replaced with the following:



“3.1.2 Annual Base Rent Adjustments.

3.1.2.1 Definitions.

(i) The term “Adjustment Date” shall mean the first day of the Annual Period commencing in 2021 and in each Annual Period thereafter.

(ii) The term “Adjustment Index” shall mean the Consumer Price Index for the month of August.

(iii) The term “Annual Period” shall mean each period from October 1 of one calendar year until October 1 of the next calendar year.

(iv) The term “CPI Increase” shall mean the percentage increase in the Consumer Price Index.

(v) The term “Consumer Price Index” shall mean the Consumer Price Index for All Urban Consumers for the Los Angeles - Long Beach - Anaheim statistical area (CPI-U) (1982-84 =100) published by the United States Department of Labor, Bureau of Labor Statistics.

(vi) The term “Adjusted Annual Base Rent” shall mean the greater of: (a) the Annual Base Rent (as may have been previously adjusted) payable during the immediately preceding Annual Period increased by an amount equal to the product of one hundred twenty percent (120%) of the CPI Increase (rounded to the nearest hundredth) for the immediately preceding Annual Period. However, in no event shall the Adjusted Annual Base Rent be less than zero (\$0) or more than six percent (6%) greater than the Annual Base Rent (as it may have been previously adjusted) for the previous Annual Period. The following is an example of the calculation under the preceding clause (a):

$$\begin{aligned} \frac{\text{Adjustment Index} - \text{Prior Index}}{\text{Prior Index}} &= \text{CPI Increase} \\ \text{CPI Increase} \times 1.2 &= 120\% \text{ of CPI Increase} \\ 120\% \text{ of CPI Increase} &= \text{xx.xx}\% \end{aligned}$$

(vii) The term “Prior Index” shall mean on each Adjustment Date, the Consumer Price Index used as the Adjustment Index on the prior Adjustment Date (or in the case of the first adjustment, the Consumer Price Index for the month of August of the prior calendar year).

3.1.2.2 Adjustments. On each Adjustment Date, the Annual Base Rent applicable to the Leased Premises (including all office space and hangar space) shall be increased (but not decreased) to the Adjusted Annual Base Rent.

3.1.2.3 CPI Changes. In the event the Consumer Price Index is changed so that the base year differs from that used for the Prior Index, the Consumer Price Index or the Prior Index, as applicable, shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. In the event the Consumer Price Index is discontinued or revised during the term of this Lease, such other governmental index or computation with which it is replaced shall be used.

3.1.2.4 Effect of Failure to Give Adjustment Notice. In the event that Landlord fails to give notice to Tenant of any adjustment hereunder, Tenant shall continue to pay the annual base rent in effect prior to the applicable Adjustment Date until such time as Landlord gives notice of the applicable Adjusted Annual Base Rent. Upon receipt of Landlord's notice of adjustment, Tenant shall pay immediately to Landlord all amounts that would have been payable by Tenant had Landlord given timely notice."

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

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY, a public entity

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TENANT:**

MV TRANSPORTATION, INC.,  
a California corporation

By: Marie Graul  
Print Name: MARIE GRAUL  
Title: CFO

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
OCTOBER 5, 2020**

**COMMITTEE PENDING ITEMS**

**Future**

1. Award of Hangar Lease; Hangar 41
2. Approval of Amendment of Concession Agreement - Hudson
3. UPS Lease
4. Award of Parking Reservation Agreement – Lot C
5. Award of Professional Services Agreement, Financial and Technical Support: Ricondo and Associates, Inc., Public Resources Advisory Group, Conway Consulting