



February 3, 2012

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, February 6, 2012 at 10:30 a.m. (or immediately following the conclusion of the regular Airport Authority meeting), in the Burbank Room of the Bob Hope Airport, 2627 Hollywood Way, Burbank, California 91505.

The items to be discussed are listed on the attached agenda.

Sue Loyd, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

REGULAR MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE

Burbank Room  
Monday, February 6, 2012  
10:30 A.M. or Immediately Following  
The Conclusion of the Regular  
Airport Authority Meeting

*NOTE TO THE PUBLIC: Any discloseable 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 Bob Hope Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.*

*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.*

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

A G E N D A

1. Public Comment
2. Approval of Minutes
  - a. January 17, 2012 **[See page 1]**
3. Contracts and Leases
  - a. Amendment of Month-to-Month Ground Lease  
Sunrise Ford, Inc.
    - Staff Report Attached **[See page 7]**

***Staff seeks a Finance and Administration Committee recommendation to the Burbank-Glendale-Pasadena Airport Authority ("Authority") for approval of a proposed amendment of the Ground Lease with Sunrise Ford, Inc. ("Sunrise Ford"), which is currently leasing a 22,000-square-foot paved portion of the B-6 Trust Property under the Authority's Minor Lease Program. This amendment would allow Sunrise Ford to***

**increase the size of the leased premises, with both parties reserving the right to terminate the Lease upon thirty (30) days' written notice.**

4. Items for Discussion

a. Car Rental Agreement Update

**No staff report is attached. Staff will provide an update on the Rental Car Concession and Lease Agreements. In addition, Staff will update the Committee on the Plan of Finance for the Consolidated Rental Car Facility and its impact on the rental car agreements.**

5. Items for Information

a. Pending Items

**[See page 13]**

**Staff will discuss the attached list of pending Committee items with the Committee.**

6. Other Contracts and Leases

7. Closed Session

a. Conference with Real Property Negotiators  
(California Government Code Section 54956.8)

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Parties: Enterprise Rent-a-Car Company of Los Angeles, LLC;  
The Hertz Corporation; Avis Budget Car Rental LLC;  
Budget Rent a Car of Southern California; DTG Operations;  
Fox Rent A Car; and Midway Car Rental  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leasehold  
Authority Negotiator: Executive Director  
Negotiating Party: American Airlines  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leasehold  
Authority Negotiator: Executive Director  
Negotiating Party: AVJET Corporation  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leasehold  
Authority Negotiator: Executive Director  
Negotiating Party: D & L Studio Transportation Inc. dba Desmond's  
Studio Production  
Under Negotiation: Price and Terms of Payment

Property: B-6 Property Easements  
Authority Negotiator: Executive Director  
Negotiating Party: City of Burbank  
Under Negotiation: Price and Terms of Payment

- b. Conference with Legal Counsel – Existing Litigation  
(California Government Code Section 54956.9(a))

Name of Case: In re Petition of Burbank-Glendale-Pasadena Airport Authority for  
Order Permitting Entry on Property (Union Pacific) (Case No. BS131944)

- c. Conference with Legal Counsel – Anticipated Litigation

Initiation of Litigation (California Government Code Section 54956.9(c)): One potential  
case: Noise Variance Application to Department of Transportation,  
Division of Aeronautics

Significant Exposure to Litigation (California Government Code Section 54956.9(b)):  
One potential case. Facts and Circumstances: Maintenance Department Claim

## 8. Adjournment

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

**TUESDAY, JANUARY 17, 2012**

A special meeting of the Finance and Administration Committee was called to order this date in the Burbank Room of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 11:30 a.m., by Chairman Logan.

**ROLL CALL**

**Present:** Commissioners Logan, Manoukian and Georgino

**Absent:** None

**Also Present:** Staff: Dan Feger, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Scott Smith, Director of Financial Services; Denis Carvill, Director of Contracts and Properties; and David Freedman, Manager of Budget and Financial Planning

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

**1. Public Comment** There were no public speakers.

**2. Approval of Minutes**

**a. December 12, 2011** Commissioner Manoukian moved approval of the minutes of the December 12, 2011, meeting, second by Commissioner Georgino. There being no objection, the minutes were approved unanimously (3-0).

**3. Treasurer's Reports**

**a. November 2011** The November 2011 Treasurer's Report was contained in the agenda packet. Commissioner Georgino moved to accept the Treasurer's Report and to recommend to the Authority that it be noted and filed. There being no objection, the motion was approved unanimously (3-0).

Staff noted that in February 2012 it will present to the Committee a budget-to-actual review of the Authority's financial performance to date, with a projection for the balance of FY 2012 and will continue to update the

Committee as the new budget year approaches. Also in February, Staff will present a tentative budget development schedule to the Committee.

#### 4. Contracts and Leases

**a. Consent to Assignment of Parking Lot Lease, Beverly Star, Inc.**

In June 2000 Budget Rent A Car System, Inc. ("BRAC") entered into a month-to-month lease with the Airport Authority to accommodate overflow parking of its rental cars, with an amendment in June 2005 in connection with B-6 Property tenant relocation.

In November 2010 BRAC assigned its parking lot lease to Beverly Star and the Authority executed a consent to assignment. Beverly Star now wishes to assign its parking lot lease at the Airport to Avis Rent A Car System, LLC, with the proposed effective date of December 1, 2011. Conditions for the Authority's consent to this assignment are that Beverly Star deliver to the Authority the executed unconditional assignment and assumption of lease between Beverly Star and Avis for the parking lot lease and a replacement letter of credit. The proposed Consent to Assignment of Parking Lot Lease is revenue-neutral to the Authority.

Staff recommended that the Committee recommend to the Authority approval of the Consent to Assignment of Parking Lot Lease from Beverly Star, Inc., to Avis Rent A Car System, LLC, and authorize the Authority President to execute same.

**Motion**

Following the presentation, Commissioner Manoukian moved approval of Staff's recommendation, seconded by Commissioner Georgino.

**Motion Approved**

The motion was approved unanimously (3-0).

**b. Williams Pipeline Contractors, Inc., First Amendment to Ground Lease**

In June 2010 the Airport Authority entered into a month-to-month ground lease with Williams Pipeline Contractors, Inc. ("Williams Pipeline"), for a 20,000 square-foot unpaved portion of the B-6 Trust Property located at 2949 Hollywood Way under the Authority's Minor Lease Program. Williams Pipeline is a water, sewer and utility construction company and has utilized the leased property for construction staging of its construction vehicles while it was contracted by the City of Burbank ("City") to work on the Valhalla Recycled Water Main Extension project. Although Williams Pipeline's contract with the City will soon be completed, it wishes to continue leasing the portion of the B-6 Property from the Authority for a longer term.

The proposed ground lease is for a 21-month term with an annual base rent of \$21,600. Other key components of the lease are outlined in the staff report.

Staff recommended that the Committee recommend to the Authority approval of the First Amendment of Ground Lease with Williams Pipeline Contractors, Inc. and authorize the Authority President to execute same.

**Motion**

Following the presentation, Commissioner Manoukian moved approval of Staff's recommendation, seconded by Commissioner Georgino.

**Motion Approved**

The motion was approved unanimously (3-0).

**c. Second Amendment to Non-Exclusive License Agreement, AT&T Wi-Fi Services**

AT&T Wi-Fi Services ("AWS") is one of two current wireless providers serving the Airport and now is seeking an amendment to its current Non-Exclusive License Agreement with the Authority to extend its contract for a five-year term with an increased fee.

On January 1, 2004, the Authority granted AT&T (formerly SBC Communications, Inc.) a non-exclusive, one-year wireless internet service License Agreement with two renewal periods of one year each. The License provided for the installation and operation of a wireless local area network, base stations and related antennas, equipment and accessories at a number of locations throughout the Airport terminals. The equipment enabled communication signals to be received or transmitted in order to provide wireless Internet connections to its subscribers while at the Airport. AT&T applied for and was granted both one-year renewal periods and the Agreement expired on January 31, 2007.

Subsequently, the Authority granted AT&T a three-year License Agreement effective February 1, 2007, with two one-year options to renew. For the past eight years AT&T has met its obligations under both its 2004 and 2007 License Agreements, maintained its account in good standing and has paid monthly license fees on a timely basis.

In November 2009, at the Authority's direction, Staff worked in conjunction with the Authority's advertising concessionaire to implement a "free Wi-Fi" system installation at the Airport and to minimize the cost impact to the Authority for providing such a system. This free Wi-Fi system has been installed and is currently in operation.

In January 2010 AT&T advised Staff that it had opted not to renew under the same terms of its 2007 License Agreement due to the offering of free Wi-Fi internet service provided at the Airport. Alternatively, AT&T proposed continuing service to its subscribers while at the Airport but at a reduced monthly license fee of \$750. Additionally, AT&T gave notice that it would assign the License Agreement (as is its right under Section 14.1B of the License) to its subsidiary, AT&T Wi-Fi Services. The Authority agreed to these terms with approval of a First Amendment for a one-year term ending February 28, 2011. Since March 2011 AWS has continued its tenancy of the licensed premises on a month-to-month basis.

In August 2011 AWS technical personnel approached Airport Staff with plans for a substantial upgrade to its equipment at the Airport in order to provide 4G service to its wireless subscribers. The proposed equipment upgrade would include the delivery of DS3 fiber cable to airport premises. Along with these improvements, AWS now seeks an extended term to its License Agreement. Staff has negotiated the business terms for a proposed five-year renewal term with two automatic one-year extensions at the same usage charge rate as the other current wireless provider operating at the Airport. The increase in the license fee from \$750 per month (\$9,000 annually) to the proposed \$2,983 per month (\$35,796 annually) will result in a \$26,796 annual increase in revenue to the Authority. Other key terms of the proposed Second Amendment are detailed in the staff report.

Staff recommend that the Committee recommend to the Authority approval of the Second Amendment to the Non-Exclusive Wireless Internet Service License Agreement with AT&T Wi-Fi Services and authorization for the Authority President to execute same.

**Motion**

Following Staff's presentation, Commissioner Manoukian moved approval of the recommendation, seconded by Commissioner Georgino.

**Motion Approved**

The motion was approved unanimously (3-0).

**5. Items for Discussion**

**a. Quarterly Report on Purchase Orders and Professional Services**

At the close of each quarter Staff is required under the Authority's Expenditure Policy to report to the Finance and Administration Committee purchase orders and professional services agreements that are in excess of \$20,000. For the fourth quarter of 2011 Staff reported

three purchase orders as follows: (1) Valet Watch in the not-to-exceed amount of \$26,000 for "secret shopper" auditing of the valet and shuttle bus operation; (2) Sixel Consulting Group for \$40,000 regarding a market study report and a proposed air service retention policy; and (3) Cliff Madison for federal legislative advocacy services for \$60,000 annually plus \$2,000 for out-of-pocket expenses, for a total amount not to exceed \$62,000 per year.

**b. Minor Lease Update –  
4th Quarter 2011**

Included in the agenda packet was the 2011 Fourth Quarter Minor Lease Report. Staff reported the following minor leases with the Committee: (1) a ground lease with Pave-Tech, Inc. at \$4,500 per month for two months ending January 31, 2012; (2) storage space for Southwest Airlines for the holiday season for \$700; (3) temporary vehicle parking for Central Productions for approximately 75 cars at \$9 per vehicle per day; (4) a month-to-month ground lease to Sunrise Ford, Inc. at \$3,575 per month; and (5) holiday storage space lease with Paradies Shops for a total \$524.40.

Staff noted that it will be presenting to the Committee in February 2012 a proposed ground lease with Sunrise Ford, Inc. for an increased amount of space.

**c. Status Update: Rental Car  
Concession Lease  
Agreements Update**

Staff updated the Committee on the status of the rental car concession lease agreements. Staff noted that all of the rental car companies with the exception of Dollar Rent a Car have approval to merely replace the two exhibits, Exhibits A and B, space allocation, and Exhibit G, the Plan of Finance, in the agreement. Dollar Rent a Car's board chairman retired effective December 31, 2011, and its board requires a new document for the incoming chairman.

Staff anticipates a tentative schedule for completion of the exhibits for presentation to the Committee by mid-April 2012. In the interim Staff will continue to update the Committee at each of its meetings.

**6. Items for Information**

**a. Pending Items**

Included in the agenda packet was an updated list of pending items. Staff discussed American Airlines' bankruptcy filing with the Committee and commented that the Use Agreement between the Airport Authority and American Airlines is subject to review under American Airlines' bankruptcy proceedings, which may result in a rejection of the Agreement. The amount of the Authority's prepetition claim is approximately \$42,000.

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|--------------------------------------|--|
| 7. <b>Other Contracts and Leases</b> | This item was not discussed.   |
| 8. <b>Closed Session</b>             | The meeting did not recess to closed session.                        |
| 9. <b>Adjournment</b>                | There being no further business, the meeting adjourned at 12:10 p.m. |

STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 6, 2012

AMENDMENT OF MONTH-TO-MONTH GROUND LEASE  
SUNRISE FORD, INC.

SUMMARY

Staff seeks a Finance and Administration Committee recommendation to the Burbank-Glendale-Pasadena Airport Authority ("Authority") for approval of a proposed amendment of the Ground Lease with Sunrise Ford, Inc. ("Sunrise Ford"), which is currently leasing a 22,000-square-foot paved portion of the B-6 Trust Property under the Authority's Minor Lease Program. This amendment would allow Sunrise Ford to increase the size of the leased premises, with both parties reserving the right to terminate the Lease upon thirty (30) days' written notice.

BACKGROUND

Sunrise Ford is a Ford car and truck dealership based on Lankershim Boulevard in North Hollywood, California. On April 1, 2003, the Authority entered into a Ground Lease Agreement ("Agreement") with Sunrise Ford effective through March 31, 2009, for a three (3) acre parcel located in the northeast portion of the former Lockheed Plant B-6 Trust Property. Due to the economic downturn and its impact on auto sales, Sunrise Ford did not renew the lease.

In November 2011 Sunrise Ford requested a month-to-month lease for a portion of its previous leased area. Staff authorized a month-to-month Ground Lease with Sunrise Ford for a 22,000-square-foot portion of the former Lockheed Plant B-6 Trust Property under the Authority's Minor Lease Program.

DESCRIPTION

Sunrise Ford now seeks to double its lease space to 44,000 square feet of the B-6 Trust Property. Sunrise Ford is and has been a tenant in good standing and compliant with the terms of its agreement with the Authority. Use of this area is limited to the storage of new cars and/or trucks. Vehicle sales and servicing from this leasehold are specifically prohibited.

Staff has negotiated the business terms for this 44,000-square-foot site on a month-to-month basis. A copy of the proposed Amendment to Month-to-Month Ground Lease is attached. Because the annual rent for this leasehold exceeds \$12,000 per year, this lease cannot be approved by Staff under the Minor Lease Program and requires Authority approval.

DETAILS

The key components of the proposed amended Ground Lease are as follows:

Current Premises: 22,000 sq. ft. of paved space on the B-6 Trust Property located at the southwest corner of Hollywood Way and San Fernando Road

Additional Premises: 22,000 sq. ft. in same lot

Use: Parking and storage of new vehicles. Sales and servicing of vehicles is prohibited.

Terms: One (1) year term, with option to extend on a month-to-month basis

Improvements: None

Base Rent: \$7,150 monthly

Adjustments: 120% CPI adjusted annually

Security for Performance: One (1) month's rent

Termination: Standard terms. Early termination may be invoked by either party by delivering thirty (30) day's prior written notice.

Other: Tenant to pay all expenses related to its occupancy including all required permits, improvements, maintenance, utilities and taxes.

#### IMPACT ON REVENUE

The proposed amendment will provide revenues in the amount of \$85,800 per year.

#### RECOMMENDATION

Staff recommends that the Finance and Administration Committee recommend to the Authority that it approve the Amendment of Month-to-Month Ground Lease to Sunrise Ford, Inc. as described above and to authorize the Authority President to execute same.

## AMENDMENT OF MONTH-TO-MONTH GROUND LEASE

THIS AMENDMENT OF MONTH-TO-MONTH GROUND LEASE (this "Amendment") is dated December 31, 2011, 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 SUNRISE FORD, INC., a California corporation ("Tenant").

### RECITALS

- A. Landlord and Tenant entered into a Month-to-Month Ground Lease dated as of November 21, 2011 (the "Lease"). Capitalized terms used but not defined herein shall have the meaning set forth in the Lease.
- B. Tenant and Landlord desire to further amend the Lease.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Tenant and Landlord hereby agree as follows:

1. Premises. As of December 21, 2011: (i) the "Leased Premises" (as such capitalized term is used in the Lease) shall mean the area described on Exhibit "A" attached hereto; and (ii) the "Monthly Rent" (as such capitalized term is used in the Lease) shall mean Seven Thousand One Hundred Fifty and No/100 Dollars (\$7,150.00).
2. Other Terms Not Affected. All of the other terms of the Lease shall remain in full force and effect.
3. Counterparts. This Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.
4. Time of Essence. Time is of the essence of each and every provision hereof.
5. Governing Law. This Amendment shall be governed by the laws of the state of California notwithstanding any applicable conflicts of laws rules or law.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

LANDLORD:

BURBANK-GLENDALE-PASADENA AIRPORT  
AUTHORITY, a public entity

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

TENANT:

SUNRISE FORD, INC.,  
a California corporation

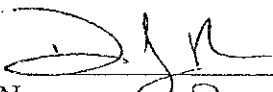
By:  \_\_\_\_\_  
Print Name: Darrell Rooney  
Title: GM

EXHIBIT "A"

DESCRIPTION OF EXPANDED LEASED PREMISES

(See attached diagram.)



BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 6, 2012

COMMITTEE PENDING ITEMS

Posted on Current Closed Session Agenda:

1. Real Property Negotiations
  - a. Rental Car Concession and Lease Agreements
  - b. American Airlines Use and Lease Agreement

Ongoing:

1. Regional Intermodal Transportation Center/Consolidated Rental Car Facility Status/Plan of Finance Update

Future:

1. Mid-Year FY 2012 Budget Review
2. Calendar of Significant Events (budget planning; bond financing; various milestones for Committee action)
3. Request for Proposal – Annual Financial Auditor
4. Request for Proposal – Commercial Real Estate Broker