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Title: Actions related to the Non-Exclusive License Agreement to Operate an Automated Teller Machine (ATM) Inside the Terminal Building with Educational Employees Credit Union, a California Corporation, at Fresno Yosemite International Airport (FAT) (Council District 4):

1. Adopt a finding of Categorical Exemption pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act Guidelines
2. Approve the Non-Exclusive License Agreement to Operate an Automated Teller Machine (ATM) inside FAT's Terminal Building with Educational Employees Credit Union, a California Corporation, for an initial term of five years, with one option to extend the initial term for an additional five years for a total of ten years. The amount of potential revenue generated by this Non-Exclusive License Agreement is \$64,800. (Council District 4)

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. Non-Exclusive License Agreement to Operate an ATM at FAT.

Date	Ver.	Action By	Action	Result
3/24/2022	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: Henry Thompson, Director of Aviation
Airports Department

BY: Melissa Garza-Perry, Airports Properties Manager
Airports Department

THROUGH: Michael Vasquez, Airports Properties Supervisor
Airports Department

SUBJECT

Actions related to the Non-Exclusive License Agreement to Operate an Automated Teller Machine (ATM) Inside the Terminal Building with Educational Employees Credit Union, a California Corporation, at Fresno Yosemite International Airport (FAT) (Council District 4):

1. Adopt a finding of Categorical Exemption pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act Guidelines
2. Approve the Non-Exclusive License Agreement to Operate an Automated Teller Machine (ATM) inside FAT's Terminal Building with Educational Employees Credit Union, a California

Corporation, for an initial term of five years, with one option to extend the initial term for an additional five years for a total of ten years. The amount of potential revenue generated by this Non-Exclusive License Agreement is \$64,800. (Council District 4)

RECOMMENDATION

Staff recommends that City Council adopt a finding of Categorical Exemption, pursuant to Section 15301 of the California Environmental Quality Act (CEQA) Guidelines, and authorize the Director of Aviation, or designee, to execute the Non-Exclusive License Agreement to Operate an Automated Teller Machine (ATM) Inside FAT's Terminal Building (License Agreement) with Educational Employees Credit Union, a California Corporation, for an initial term of five years, with one option to extend the initial term for an additional five years for a total of ten years. The amount of potential revenue generated by this Non-Exclusive License Agreement is \$64,800.

EXECUTIVE SUMMARY

Educational Employees Credit Union (EECU), a California Corporation, is currently operating one Automated Teller Machine (ATM) inside FAT's terminal building as a month-to-month holdover. EECU's Temporary Use Permit expired on January 31, 2022. The ATM was installed inside the terminal building on July 19, 2021. Since its installation, and as of January 31, 2022, the ATM completed 3,048 transactions (910 member transactions and 2,138 non-member transactions). The Non-Exclusive License Agreement will allow EECU to continue operating one ATM inside FAT's terminal building until January 31, 2027, and possibly through January 31, 2032, if EECU exercises the option to extend the initial term for five additional years.

BACKGROUND

On February 16, 2021, the Airports Department began soliciting Letters of Interest (LOI) from financial institutions (both local and national brands), located in the Central Valley, for the opportunity to operate a financial institution owned ATM self-service kiosk at FAT. EECU was the only financial institution to submit a response by the LOI's deadline of March 5, 2021. EECU is a credit union that started in 1934 by teachers and administrators, and is now the largest locally owned financial institution in the Central Valley, with approximately 19 branches and 65 ATMs. On July 1, 2021, the Airports Department and EECU entered into a Temporary Use Permit, and EECU installed its ATM inside FAT's terminal building on July 19, 2021. Since its installation date, the ATM has completed over 3,000 transactions. This License Agreement will allow EECU to continue operating one ATM inside FAT's terminal building until January 31, 2027, and possibly through January 31, 2032, if EECU exercises the option to extend the License Agreement's initial term for five additional years. EECU's current monthly rental rate is \$400 (\$4,800 annually), and will remain that rate through Year 1 of the License Agreement. On February 1, 2023, the monthly rental rate will increase to \$500 (\$6,000 annually) and will remain that rate through Year 5 of the License Agreement. If EECU exercises the option to extend the License Agreement's initial term for five additional years, the ATM's monthly rental rate will increase to \$600 (\$7,200 annually) on February 1, 2027, and remain that rate through the remaining years of the License Agreement.

The City Attorney has reviewed and approved the License Agreement as to form.

ENVIRONMENTAL FINDINGS

This Agreement falls within the Class 1 Categorical Exemption for Existing Facilities set forth in the CEQA Guidelines, Section 15301 for existing facilities, as it involves no alteration of existing facilities, with no expansion of use, and will not result in any significant negative effects relating to traffic, noise, air quality or water quality. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

LOCAL PREFERENCE

Local preference was not implemented because this is an award of a License Agreement.

FISCAL IMPACT

The potential revenue generated by this License Agreement, if the option is exercised by EECU, will be \$64,800. The total potential revenue received since EECU installed its ATM at FAT (since July 19, 2021) is \$68,000. All revenue will be deposited into the Airports Enterprise Fund and will contribute to the operation and maintenance of FAT. There is no impact to the General Fund or ratepayers of the City of Fresno from this item.

Attachments:

- Non-Exclusive License Agreement to Operate an ATM at FAT.