

GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
Thursday, September 23, 2004 – 5:00 p.m.
Gainesville Regional Airport
Passenger Terminal - Restaurant
Monthly Meeting
Highlights

Call To Order By the Chair

Chair Jon Morris called the meeting to order at 5:05 p.m.

Invocation: Board member Jim Stringfellow delivered the invocation.

Pledge of Allegiance: Chair Morris led the Pledge of Allegiance.

Authority Members Present At Roll Call: C.B. Daniel, Joe Dunlap, Jim Gallagher, Jon Morris, Jim Stringfellow, Kinnon Thomas and Marilyn Tubb were present. Pat Bainter arrived at 5:08 p.m.

Determination Of A Quorum: It was determined that a quorum was present.

Dr. Morris noted that Governor Bush has not announced his appointment to replace GACRAA member Dr. Billy Brashear whose term expired on July 31, 2004.

Recognition Of Outgoing Member

On behalf of GACRAA, Chair Morris presented a plaque in appreciation of service to the Authority to Janice Honeyman-Buck, Ph.D.

Approval of Meeting Highlights for August 19, 2004

Mr. Thomas moved to approve the meeting highlights of August 19, 2004. Mr. Daniel seconded the motion. Motion passed.

Adoption of the Agenda

Chair Morris recommended adding an item, "Project Blade", to the agenda as number 9A and renumbering the Information Items as number 9B.

Mrs. Tubb moved approval of the agenda as recommended by the Chair. Mr. Thomas seconded the motion. Motion passed.

Citizens' Input – Non-Agenda Items - None

Airport Authority Input – Non-Agenda Items

Dr. Gallagher reported that he was appointed as the Board liaison to the Southeast Small Aircraft Transportation System (SATS) Lab Consortium. He stated that he attended a SATS meeting in Orlando on September 21 and reported that the organization is planning a demonstration of the system in Sebring, FL on Thursday, October 28. He stated that he and Jay Curtis plan to provide

air transportation to any interested Board members who wish to attend the day long meeting in Sebring.

Chair Morris noted that the Airport Authority Input portion of the agenda provides Board members the opportunity to comment on activities beyond the scope of the agenda. He stated that he was pleased with the recent successes in recruiting two airlines to provide air service. He indicated that he was disappointed with the absence of a food and beverage concession and hoped that the Board would continue to pursue this issue. He suggested that the Board consider the establishment of a volunteer ambassador program to help passengers. He stated that he appreciated having the opportunity to serve as Chair of the Authority.

Consent Agenda - None

Airport Business:

Election of Officers

Dr. Gallagher reported that the Nominating Committee met on August 6, 2004. The committee nominated the following slate of candidates at the August 19 Board meeting:

<u>Office</u>	<u>Candidate</u>
Chair	James L. Stringfellow, Sr.
Vice-Chair	C.B. Daniel
Secretary/Treasurer	T. James Gallagher

Dr. Gallagher moved the committee's slate of candidates and reported that nominations could also be made from the floor.

Mr. Thomas moved to close nominations. Mrs. Tubb seconded the motion. Motion passed.

A roll call vote on the committee's slate of candidates followed: *Mr. Bainter – aye, Mr. Daniel – aye, Mr. Dunlap – aye, Dr. Gallagher – aye, Mr. Stringfellow – aye, Mr. Thomas – aye, Mrs. Tubb – aye and Dr. Morris – aye. Motion passed 8-0.*

Dr. Morris turned the Chair over to Mr. Stringfellow.

Chair Stringfellow presented to Dr. Morris a plaque in appreciation of his service as GACRAA Chair.

Chair Stringfellow announced the appointment of Joe G. Dunlap to the Finance & Operations Committee and Kinnon Thomas to the Air Service, Business Development and Marketing Committee.

Finance Report

Dr. Gallagher, chair of the Finance & Operations Committee, reported that July year-to-date operating revenues are \$37,000 over budget. Also, he stated that year-to-date operating expenses are approximately \$166,000 under budget. Net income is approximately \$204,000.

Dr. Gallagher reported that Parking Lot Revenue is ahead of budget by approximately \$32,000. He reported that Airport Security Fees are under budget by approximately \$24,000; it is expected

that collection will improve by the end of the fiscal year, but will remain under budget. Passenger Facility Fees collected are approximately \$53,000 ahead of budget. Administrative Operating Expenses are approximately \$67,000 under budget. For Operations, expenses are approximately \$47,000 under budget. Facilities and Maintenance expenses are approximately \$55,000 under budget.

Dr. Gallagher reported that the September year-to-date cost of the Runway 10-28 Rehabilitation project is approximately \$4.5 million, retainage held is approximately \$409,000 and funding to date totals \$3.8 million. The airport expects to receive funding of \$168,000 from the FDOT for this project.

Dr. Gallagher reported that rental car revenue for July of 2004 is approximately \$5,000 ahead of July of 2003, and July year-to-date is approximately \$4,000 ahead of prior year-to-date.

Mr. Thomas moved to approve the Finance Report. Mr. Daniel seconded the motion. Motion passed.

Banking Resolution 04-034

Mr. Crider recommended adoption of Banking Resolution 04-034; this will authorize the execution of new banking signature cards by Chair Jim Stringfellow and Vice-Chair C.B. Daniel.

Mr. Bainter moved to adopt Resolution 04-034. Mrs. Tubb seconded the motion. A roll call vote followed: Mr. Daniel – aye, Mr. Dunlap – aye, Dr. Gallagher – aye, Dr. Morris – aye, Mr. Thomas – aye, Mrs. Tubb – aye, Mr. Bainter – aye, and Mr. Stringfellow – aye. Motion passed 8-0.

Finance & Operations Committee Report:

Dr. Gallagher reported that the Finance & Operations Committee met on September 20, 2004. (Staff note: The FY2004-2005 Budget was distributed to Authority members on September 21, 2004.)

Dr. Gallagher reviewed the proposed revisions to the Schedule of Rates and Charges which were considered by the committee on September 20:

<u>Schedule of Rates & Charges Item</u>	<u>Proposed Actions</u>
Aircraft Maintenance and Repair Activity	2% Gross Receipts Fee is added as a place-holder for consideration at a future date.
Long Term Weekly Rate Parking (Automobiles)	\$42.00 per each 7 day period; this represents a discount of \$0.50 per day.
Non-based Airline Employee Parking (Automobiles)	\$35.00 per employee per month. This is a decrease from \$40.00 per employee per month.
Passenger Boarding Bridge / GPU / PC Air	Fee to be established after costs are determined.
Remote GPU	Fee to be established after costs are determined.
Banner Towing Fee	\$25.00 per day; currently there is no fee.
Blimp Tie-down Fee	\$25.00 per day; currently there is no fee.
Deposit for All Airport Badges	\$50.00 deposit

Ramp Fee	\$100.00 for overnight parking on air carrier ramp for non-signatory airlines. No-charge for signatory airlines.
Port-a-Port Space	\$42.00 per month; this represents an increase of \$2 per month.
Sunshade Rent	\$84.00 per month; this represents an increase of \$4 per month.

Dr. Morris voiced his concern regarding the parking lot capacity and whether the anticipated increase in passenger traffic will be accommodated in the existing lots. Mr. Crider concurred that the situation should be monitored to determine possible future expansion needs.

Mr. Crider reviewed the Capital Improvements Plan on page CIP-2 (page 29 of the agenda); the proposed revisions to the last approved plan, adopted by the Board on April 22, 2004 and are identified as page CIP-1 (page 28 of the agenda) in the budget. He explained the changes which are included in the budget book on page CIP-3 (page 30 of the agenda).

Mrs. Tubb moved to adopt the Schedule of Rates and Charges as presented. Mr. Daniel seconded the motion. Motion passed.

Mrs. Tubb moved to adopt the Capital Improvement Plan as presented. Mr. Thomas seconded the motion. Motion passed.

Dr. Gallagher reviewed the proposed FY2004-2005 Budget. He reported that the City of Gainesville will continue to provide Law Enforcement at the Airport. He stated that the budget includes two new staff positions, a Grant & Programs Administrator and an Electrician Assistant.

Dr. Gallagher reported that the proposed balanced operating budget is:

Total Revenue	\$3,165,951
Total Expenses	<u>\$3,165,951</u>
Budget Balance	0

Dr. Gallagher provided a brief comparison of the proposed budget to the prior year budget, FY2003 – 2004.

Dr. Gallagher reported that the committee reviewed the budget and stated that there are no significant changes to the operating expenses.

Dr. Gallagher stated that GACRAA Funding for the proposed FY2004-2005 Capital Improvement Plan is \$1,254,474. Much of this amount will need to be borrowed, and further refinements to this year’s capital plan are anticipated.

Dr. Gallagher moved the committee’s recommendation to adopt the FY2004-2005 Budget as presented and to adopt Resolution 04-035. Mrs. Tubb seconded the motion.

Mr. Crider recommended having the committee consider the allocation of the excess FY04 Operating Revenues to Capital Improvements, Cash Reserves and Airline Incentives accounts.

Chair Stringfellow opened the floor for a public hearing on the FY2004-2005 budget and invited comments and questions. Hearing none, Chair Stringfellow closed the public hearing on the FY2004-2005 budget.

A roll call vote on Dr. Gallagher's motion followed: Mr. Dunlap – aye, Dr. Gallagher – aye, Dr. Morris – aye, Mr. Thomas – aye, Mrs. Tubb – aye, Mr. Bainter – aye, Mr. Daniel – aye, and Mr. Stringfellow – aye. Motion passed 8-0.

R.W. Armstrong & Associates, Inc. Task Order # 15 – Resolution 04-036

Mr. Crider reported that R.W. Armstrong and Associates, Inc. has presented a task order for the design and preparation of construction plans, construction observation and acceptance testing services for the Airport Guidance Sign Improvements Project at Gainesville Regional Airport. The scope of the project includes improvements to the existing signage for Runway 10-28, as the Runway has been renumbered as Runway 11-29, installation of new PAPI lights on Runways 11, 29 and 6, and replacement of two wind cones with internally lighted units for which project design and specification is prerequisite. He reported that 95% of the total cost of these services, estimated to be \$44,844.00, will be funded through existing FAA and FDOT grants. Mr. Crider recommended approval of Task Order # 15 and adoption of Resolution 04-036.

Mr. Thomas moved to adopt Resolution 04-036, authorizing the CEO to execute Task Order # 15 with R.W. Armstrong and Associates, Inc. for design, construction observation and acceptance testing services for the Airport Guidance Sign Improvements Project at Gainesville Regional Airport. Mrs. Tubb seconded the motion. A roll call vote followed: Dr. Gallagher – aye, Dr. Morris – aye, Mr. Thomas – aye, Mrs. Tubb – aye, Mr. Bainter – aye, Mr. Daniel – aye, Mr. Dunlap – aye, and Mr. Stringfellow – aye. Motion passed 8-0.

Reynolds, Smith and Hills, Inc., Task Order # 5 – Resolution 04-037

Mr. Crider reported Reynolds Smith & Hills, Inc. has presented a task order for Runway 6-24 Threshold Relocation / Extension and Runway 29 RSA – Environmental Assessment – Phase 2 consulting activities at Gainesville Regional Airport. He stated that the Board had previously approved a plan to relocate the Runway 6 threshold by 2,400 feet to the northeast, and to extend Runway 6-24 to 6,500 feet in length. He reported that 95% of the total cost of these services, estimated to be \$102,140.00, will be funded through FAA Grant Offer 3-12-0028-021-2004 and 2.5% is anticipated to be funded by the FDOT in a Joint Participation Agreement. Mr. Crider recommended approval of Task Order # 5 and adoption of Resolution 04-037.

Dr. Gallagher moved to adopt Resolution 04-037, authorizing the CEO to execute Task Order # 5 with Reynolds, Smith & Hills, Inc. for Runway 6-24 Threshold Relocation / Extension and Runway 29 RSA – Environmental Assessment – Phase 2 consulting activities at Gainesville Regional Airport. Mrs. Tubb seconded the motion. A roll call vote followed: Dr. Morris – aye, Mr. Thomas – aye, Mrs. Tubb – aye, Mr. Bainter – aye, Mr. Daniel – aye, Mr. Dunlap – aye, Dr. Gallagher – aye, and Mr. Stringfellow – aye. Motion passed 8-0.

Runway 10-28 Drainage Improvements Project Contract Award - Resolution 04-038

Mr. Crider reported that three bidders responded to RFP 04-008, the Runway 10-28 Drainage Improvement Project. Mr. Crider reported that 95% of the total cost of the project will be funded by the FAA in Grant Offer # 3-12-0028-021-2004, which was accepted by the Authority in August 2004.

Mr. Marc Skillman, R.W. Armstrong, Inc., reported that the work will improve drainage between Taxiway E and Runway 11-29 (formerly known as Runway 10-28). The work shall include excavation, installation of storm sewers, erosion control, sodding and hydroseeding, painting taxiway pavement markings, and other miscellaneous items. The lowest bid was from Commercial Industrial Corporation for \$1,514,266.22. This amount exceeds the engineering estimate of \$1,194,553.00, prepared by R.W. Armstrong, Inc. Mr. Skillman reported that concrete pipe prices in the U.S. are volatile due to high demand created by the construction of a dam in China and hurricane reconstruction in the U.S. He stated that he and Allan Penksa, Director, Facilities and Planning, received favorable references for all three bidders, and recommend awarding the project to the lowest bidder, Commercial Industrial Corporation, Reddick, FL.

Mr. Thomas moved to adopt Resolution 04-038, authorizing the CEO to execute a contract with Commercial Industrial Corporation, Reddick, FL, in the amount of \$1,514,266.41 for Runway 10-28 Drainage Improvement work at the Gainesville Regional Airport. Mrs. Tubb seconded the motion. A roll call vote followed: Mr. Thomas – aye, Mrs. Tubb – aye, Mr. Bainter – aye, Mr. Daniel – aye, Mr. Dunlap – aye, Dr. Gallagher – aye, Dr. Morris – aye, and Mr. Stringfellow – aye. Motion passed 8-0.

Florida Department of Transportation (FDOT) First Supplemental Joint Participation Agreement (JPA) # 41156919401 – Resolution 04-039

Mr. Crider reported that FDOT JPA # 41156919401 was previously accepted by the Board in the amount of \$500,000 for the construction of 20 T-Hangars. The grant requires a local match of \$500,000; the total project amount is \$1,000,000. Mr. Crider stated that he has recently received inquiries for a bulk hangar and aircraft wash rack facilities. He proposed building 10 T-Hangars and one large corporate hangar. He stated that the FDOT was willing to expand the scope of JPA # 41156919401 to include a corporate hangar and other projects, and perhaps increase the amount of funding in the agreement in future years. He noted that construction of 20 T-Hangars could result in excess capacity, and suggested that 10 T-Hangars and a bulk hangar would better fit market demand today.

Mrs. Tubb moved to adopt Resolution 04-039 authorizing the CEO to execute FDOT JPA Supplemental # 1, expanding the scope of FDOT JPA # 41156919401 to include T-Hangar And Bulk Hangar Design & Construction, Purchase And Reconfiguration Of Portable Hangars, Rehabilitation Of General Aviation Parking Apron, Hangar Door Replacement, and Construction Of An Aircraft Wash Rack. Mr. Thomas seconded the motion. A roll call vote followed: Mrs. Tubb – aye, Mr. Bainter – aye, Mr. Daniel – aye, Mr. Dunlap – aye, Dr. Gallagher – aye, Dr. Morris – aye, Mr. Thomas – aye, and Mr. Stringfellow – aye. Motion passed 8-0.

Operation Blade

Mr. Crider distributed a handout which describes Project “Blade” (see Attachment A).

Mr. Brent Christensen, President & CEO of the Gainesville Area Chamber of Commerce, and an ex-officio member of GACRAA, described Project “Blade”. Mr. Christensen reported that a corporate aircraft manufacturer is interested in establishing an aircraft service center in the southeastern U.S., and is considering Gainesville Regional Airport for the location. He stated that an announcement of the site selection is scheduled to take place on October 11 at a National Business Aviation Association (NBAA) conference in Las Vegas, NV. Mr. Christensen reported

that the State of Florida will offer an incentive package to the unnamed firm. He also stated that the other site finalist is Savannah, GA. Mr. Christensen requested GACRAA's support for the project and suggested that the Board consider offering incentives to locate at the airport.

Mr. Crider reported that the firm in question would be a good tenant for the airport and would provide new jobs in the area. Mr. Crider recommended supporting the venture by having GACRAA provide incentives to locate at Gainesville Regional Airport. Mr. Crider reviewed the proposed incentives that were listed in the Project "Blade" handout.

Dr. Morris moved to endorse the pursuit of Project "Blade" and the application of incentives such as those outlined in the Project "Blade" handout, giving authorization to staff to negotiate in concert with the Chamber of Commerce, the City of Gainesville, the State of Florida, the FAA and legal counsel, with the intent of securing Project "Blade" as a new long-term tenant for Gainesville Regional Airport. Mrs. Tubb seconded the motion.

A lengthy discussion followed and several Board members voiced their support of the motion.

The motion passed on a voice vote, 8-0.

Information Items

Mr. Marc Skillman, R.W. Armstrong & Associates, Inc., reported that a ribbon cutting ceremony was held on September 2 to open Runway 11-29. He complimented APAC-Southeast on accomplishing the project despite inclement weather. He reported that the final phase of the project, grooving and painting, would start in November and be completed by the end of the year. He reported that the Runway 11-29 Drainage Improvement project would begin in November and that bids for the Signage Improvement project would be advertised in November.

Mr. Crider presented appreciation plaques to Mr. Allan Penksa, Director Facilities & Maintenance, Mr. Greg Baier, APAC Southeast, and Mr. Marc Skillman for their successful management of the runway rehabilitation project. The project was completed on time and under budget!

Mr. David Cruise, Chairman, Gainesville Regional Airshow Consortium, LLC, reported that additional weekends in April of 2005 are being considered for an airshow at Gainesville Regional Airport. He reported that a contract has been executed with a vendor for concessions and souvenirs at the show. He reported that contracts have been executed with several performers. Among those scheduled to appear is Patti Wagstaff, who flies one of the most thrilling, low-level aerobatic routines in the world today. He reported that a military jet team might be able to perform on one of the April dates being considered for the airshow. He indicated that the 2005 show schedules for military teams will be announced in December. Mr. Cruise stated that the next step for the Consortium is to solicit support from local corporate sponsors.

Mr. Crider reported that "Elvis" was in the building to celebrate Northwest Airlines' inaugural flight on September 20.

Mr. Crider invited the Board to participate in the Continental Connection inaugural flight celebration scheduled for noon on September 30.

Mr. Crider reported that he and Mr. Stringfellow met with FedEx systems planning and facilities representatives in Memphis on September 21. FedEx is still interested in consolidating operations in the area and is still considering an expanded facility at the airport.

Mr. Penksa reported that the Passenger Boarding Bridges are on order and the vendor, FMC, has been given Notice to Proceed. The estimated delivery date is in January.

Mr. Penksa reported that he and Mr. Crider will meet with Reynolds, Smith & Hills, Inc. on September 24 to review the 30% schematic plan of the terminal and to finalize floor plans.

Mr. Crider reported that approval has been granted by TSA to hire two (2) people to screen passengers and baggage.

Mr. Crider reported that the GA Ramp Rehabilitation, Fencing, and Airfield Lighting projects are completed and reimbursement has been received from FAA.

Mr. Tate Fisher, Chief Operations Officer, announced that the Airport received a plaque of appreciation from the University of Florida's Society of Automotive Engineers. This student group utilized the airport's driving pad for testing vehicles. In lieu of a fee for the use of the land, the airport logo was affixed to the vehicles thereby providing visibility of the airport's support.

Mr. Crider reported that Runway 10-28 was closed for three weeks in August. This closure caused a decrease in seat capacity. During this time, load factors continued to be strong.

Tenant Reports

Mr. Mac McEachern, representing the Gainesville Pilots Association, noted that Mr. Fisher conducted a security and safety meeting with the General Aviation tenants. He suggested that the information provided at the meeting was informative and suggested that it be made available to new GA tenants. He noted that the AOPA tape shown at the meeting will soon be updated and he volunteered to provide the new version when it becomes available.

Airport Authority Input

Mr. Bainter announced that it is his intention to notify the Governor that he considers his work on the Board complete, and that he not be available to serve the remainder of his term. Instead of a letter of resignation, Mr. Bainter stated he would provide the Governor with a letter of completion, as several developments have been completed during the last five (5) years:

- Introduction of Northwest Airlines and Continental Connection air service;
- Capital Account has been established;
- R/W 11-29 Rehabilitation has been completed;
- R/W 6-24 expansion is planned;
- Professional airport management staff is in place to execute the policies and decisions of the Board.

Airport Authority Attendance

No issues to report at this time.

Adjournment

There being no further business, the meeting was adjourned by the Chair at 7:10 p.m.

GACRAA Monthly Meeting

James L. Stringfellow, Sr., Chair

Date

T. James Gallagher, Secretary/Treasurer

Date

Proposed Offer to Project "Blade"

September 23, 2004

Understanding of Development:

- Construction of a Factory Service Center to support small jet aircraft
- Center will service aircraft in the Southeast United States
- Owner will lease approximately 5 acres of airside property (217,800 square feet)
- Owner will construct approximately 30,000 square feet of hangar and high-end office space
- Owner will construct approximately 30,000 square feet of aircraft parking ramp and connect the development to Taxiway A

Economic Impact:

- Owner anticipates employment of approximately 16 full-time personnel
- New jobs will be within Enterprise Zone
- New jobs will be within area targeted by Plan East Gainesville
- Average wage of jobs being proposed is estimated at 150% of areas average annual wage per year, plus benefits

Proposed Terms:

- 20-year initial term
- Two (2) 5-year option periods
- Fair market rent based on land value as determined by a Market Rent Analysis performed by a third party consultant
- Ground rent adjustments every 3 years

Proposed Incentives:

- Commitment to apply up to \$300,000 in FDOT Aviation grant fund-eligible infrastructure improvements to the property, to include but not limited to taxiway connection to aircraft parking ramp, extension of utilities, and storm water management issues
- 100% Abatement of ground rent for period of construction, anticipated in 2005 and estimated to be at least \$28,314 for a full year
- 75% Abatement of ground rent for six months following certificate of occupancy, estimated to be at least \$10,618
- 50% Abatement of ground rent for months 7-12, estimated to be at least \$7,079
- 25 % Abatement of ground rent for months 13-18, estimated to be at least \$3,539

Recommendation to GACRAA Board:

Motion to endorse the pursuit of Project "Blade" and the application of incentives such as those outlined above, giving authorization to staff to negotiate in concert with the Chamber of Commerce, the City of Gainesville, the State of Florida, the FAA and legal counsel, with the intent of securing Project "Blade" as a new long-term tenant for Gainesville Regional Airport.