

GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
Thursday, November 18, 2004 – 5:00 p.m.
Gainesville Regional Airport
Passenger Terminal - Restaurant
Monthly Meeting
Highlights

Call To Order By the Chair

Chair Jim Stringfellow called the meeting to order at 5:04.m.

Invocation: Mr. Brent Christensen, President and CEO of the Gainesville Area Chamber of Commerce, delivered the invocation.

Pledge of Allegiance: Chair Stringfellow 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. Ex-officio member Brent Christensen was present.

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

Approval of Meeting Highlights for October 21, 2004

Dr. Morris moved to approve the meeting highlights of October 21, 2004. Mr. Daniel seconded the motion. Motion passed.

Adoption of the Agenda

Mr. Thomas moved approval of the agenda. Mrs. Tubb seconded the motion. Motion passed.

Citizens' Input – Non-Agenda Items

Mr. Mac McEachern, Vice-Chairman of the Gainesville Pilots Association, cited several recent improvements at the Airport, welcomed the new prospective tenant, Eclipse Aviation, and presented the Chair with a book regarding parliamentary procedure.

Airport Authority Input – Non-Agenda Items

Dr. Gallagher reported that he attended the SATSLab demonstration held in Sebring, FL on October 28. He reported that he, Mr. Stringfellow, Mr. Allan Penksa, and Mr. Pat Bainter attended the event. He stated that the demonstration showed how the SATSLab equipment facilitates communication between aircraft traveling in the same vicinity. He recommended that the Gainesville - Alachua County Regional Airport Authority continue its support of the program and monitor the development of the SATSLab project.

Consent Agenda - None

Airport Business:

Information Items:

Mr. Crider reported that he will attend the International Council of Air Shows Meeting in Las Vegas in early December. He stated that the 2005 air show schedules for military jet teams will be announced at the meeting and he is hopeful that the U.S. Navy Blue Angels or U.S. Air Force Thunderbirds will participate in the air show to be held at Gainesville Regional Airport in 2005. He stated that the proposed dates for the air show have been changed from April 2005 to the weekend of September 24-25, 2005.

Mr. Crider reported that a planning meeting for the Consolidated Rental Car Facility is scheduled on December 9. He stated that Mr. Penksa will meet with the five rental car operators and the consultant who conducted the feasibility study, Ms. Lynn Leibowitz.

Mr. Crider reported that staff has drafted a proposed Leasing Policy; a first draft was presented to the Facilities & Planning Committee on November 16 and will be considered by the committee at their next meeting. He reported that Mr. Donald W. Stanley, Jr. Attorney for the Authority, will review the draft and provide input.

Mr. Crider reported that University Air Center (UAC) is nearing completion of the construction of a maintenance hangar, however, UAC has notified the Authority that the Certificate of Occupancy is unlikely to be issued prior to the December 7 deadline established in their lease. UAC encountered delays due to hurricanes and the requirement by the City of Gainesville to replace PVC piping with cast iron pipes. The original plan, approved by the City of Gainesville through the permitting process, included PVC piping. A City inspector, who visited the site after the PVC pipe was installed, determined that cast iron pipes would be required.

Mr. Crider reported that an RFP was issued to obtain proposals for the operation of a specialized aviation service provider at the old Gulf Atlantic Airways site. Proposals are due December 7.

Mr. Penksa reported that the grooving and painting of Runway 11-29 would begin in January; the project will be completed in 30-60 days with all the work being performed at night.

Mr. Penksa reported that bids would be solicited in January to complete the signage associated with Runway 11-29 and other Lighting Improvements.

Mr. Penksa reported that the Runway 11-29 Drainage Improvement project is underway and should be completed by the end of January.

Mr. Crider reported that the Plan East Gainesville proposal to relocate the Alachua County Fairgrounds has met with opposition from the agricultural community regarding a move of the Fairgrounds to a new site.

Mr. Crider stated that the permitting process for the Terminal Renovation is underway, and the first phase of the project is anticipated to begin in a few weeks.

Mr. Crider reported that a response has been submitted to the St. Johns River Water Management District and he anticipates closure on the conservation easement recordation and wetland clearing permitting issues by the end of the year.

Mr. Crider reported that on October 31, the Bush-Cheney '04 Campaign held a rally at the Airport. A crowd of 17,000 people attended the event.

Mr. Crider reported that GACRAA employees are participating in a United Way campaign for the first time.

Mrs. Elaine Funk reported that the drawing to determine the winner of the Northwest Airlines contest was held at the airport on Monday, November 15. Approximately 600 people entered the contest to win a trip for four to Memphis and Las Vegas. The contest was sponsored by Northwest Airlines, radio stations WSKY and WKTK, and Cox Media.

Mr. Crider reported that October 2004 passenger traffic was 35.5% higher than October 2003. As of October 2004, calendar year-to-date passenger traffic is 7.3% higher than as of October 2003 calendar year-to-date. He stated that tower operations in October 2004 were equally strong. He noted that US Airways plans to add a fourth jet flight in February 2005. He reviewed the load factors for the four airlines, noting that the load factors were higher than anticipated for Northwest Airlines. He reported that Continental Connection shows a load factor of 40%, though their flights to Miami are experiencing much higher load factors than the flights to Tampa.

Mr. Daniel and Mrs. Tubb asked that the load factors for Continental Connection be reported by destination.

Mr. Crider reported that Fuel Flowage in October 2004 was 90.7% higher than October 2003, with military sales showing a 346.3% increase due to the visits by Air Force Two and Air Force One, and their accompanying aircraft in October. (*Note: Air Force One was not refueled by UAC.*)

Responding to Dr. Gallagher, Mr. Crider reported that the Taxi Cab Survey has been completed and that the results will be reported at the next Finance & Operations Committee meeting. Mr. Crider stated that he has attended two City Public Safety Committee meetings. He reported that there are an average of 2.8 cabs meeting each flight, although there have been times when no cabs were available. A plan to improve service is being drafted by the Public Safety Committee and its Vehicle for Hire task force.

Finance Report

Dr. Gallagher, chair of the Finance & Operations Committee, reported that September year-to-date operating revenues are approximately \$12,000 over budget. Also, he stated that year-to-date operating expenses are approximately \$117,000 under budget. Net income is approximately \$129,000.

Dr. Gallagher reported that Terminal Parking revenue for the year is approximately \$24,000 ahead of budget.

Dr. Gallagher reviewed the year-to-date expenses and the monthly reconciled bank balances.

Dr. Gallagher reported that the year-to-date cost of the Runway 11-29 Rehabilitation project is approximately \$4.9 million, retainage held is approximately \$109,000 and funding to date totals \$4.5 million.

Dr. Gallagher reported that the year-to-date cost of the Runway 11-29 Drainage Improvement

project is approximately \$174,000 and year-to-date FAA funding is \$88,000.

Dr. Gallagher reported that rental car revenue for September 2004 is approximately \$3,000 ahead of September 2003, and September year-to-date is approximately \$11,000 ahead of prior year-to-date.

US Airways Airport Agreement – Resolution 05-001

Mr. Crider reported that US Airways Express has been operating under the terms of an Airport Agreement with CCAir, Inc. and that negotiation of a new lease with Piedmont Airlines, Inc. d.b.a. US Airways Express had been a slow process due to the airline's financial difficulties. Terms of the Airport Agreement are shown in Attachment A.

Mr. Thomas moved to adopt Resolution 05-001, authorizing the execution of an Airport Agreement with Piedmont Airlines, Inc. d.b.a US Airways Express and authorizing its execution by the CEO. Mrs. Tubb seconded the motion. A roll call vote followed: Mr. Dunlap – aye, Dr. Gallagher – aye, Mr. Thomas – aye, Mrs. Tubb – aye, Mr. Daniel – aye and Mr. Stringfellow – aye. Motion passed 6-0. (Dr. Morris was absent from the room at the time of the vote.)

Amendment # 1 to Northwest Airlines Airport Agreement – Resolution 05-002

Mr. Crider reported that the Board approved in August 2004 an Airport Agreement with Northwest Airlines, Inc. He reported that Amendment No. 1 revises the amount of sales tax and its application, and the way in which the cost of utilities is allocated to the airline for electricity consumed in its office, ticket counter, and baggage make-up areas of the leased premises, and for electricity used in the operation of its outbound baggage conveyor and operation of radio and other equipment.

Mr. Thomas moved to adopt Resolution 05-002, authorizing the execution of Amendment No 1 to the Airport Agreement with Northwest Airlines, Inc. and authorizing its execution by the CEO. Mr. Daniel seconded the motion. A roll call vote followed Dr. Gallagher – aye, Mr. Thomas – aye, Mrs. Tubb – aye, Mr. Daniel – aye, : Mr. Dunlap – aye, and Mr. Stringfellow – aye. Motion passed 6-0. (Dr. Morris was absent from the room at the time of the vote.)

Eclipse Aviation – Resolution 05-003

Mr. Crider, referring to a press conference held at 4:00 p.m. to announce that Eclipse Aviation has selected Gainesville Regional Airport as its first site for a factory service center, recommended adoption of Resolution 05-003. He reported that the project is a fast track project due to Eclipse Aviation's desire to occupy a new hangar and office space by February 2006. He reported that staff is working with legal counsel and the Gainesville Area Chamber of Commerce to develop an Incentives Agreement with Eclipse Aviation.

Mr. Thomas moved to adopt Resolution 05-003, authorizing negotiation and execution of documents necessary by the CEO for the development of an Eclipse Aviation factory service center at Gainesville Regional Airport. Mrs. Tubb seconded the motion.

Responding to a request for clarification from Dr. Gallagher, Mr. Crider stated that some items may need to be executed prior to receiving Board approval, but in these cases, Board ratification would be sought. He reported that Chair Stringfellow has been involved in negotiation discussions.

A discussion followed regarding the role of the Board in approving negotiations and agreements before execution, and the pros and cons of having such items approved beforehand by the Board.

It was the consensus of the Board that all agreements would be subject to the ratification of the Board.

A roll call vote on the adoption of Resolution 05-003 followed the discussion: Mr. Thomas – aye, Mrs. Tubb – aye, Mr. Daniel – aye, Mr. Dunlap – aye, Dr. Gallagher – nay, and Mr. Stringfellow – aye. Motion passed 5-1. (Dr. Morris was absent from the room at the time of the vote.)

Reynolds, Smith & Hills, Inc. Task Order # 12 – Project Proposal / Project Work Scope - Terminal Building Phases 2, 2A, 2B, & 2C Design – Resolution 05-004

Mr. Crider recommended approval of Reynolds, Smith & Hills, Inc. Task Order # 12 in the amount of \$648,886.00 for the design services associated with the terminal renovation phases 2, 2A, 2B and 2C. Mr. Crider reported that Task Order # 12 was subject to legal review, an independent fee estimate, and FAA and FDOT concurrence. He stated that approval of the task order would allow the project to move forward with the solicitation of bids prior to applying for FY 2005 FAA funding next summer.

Mrs. Tubb moved to adopt Resolution 05-004, authorizing the execution of Reynolds, Smith & Hills Task Order # 12 by the CEO. Mr. Dunlap seconded the motion. A roll call vote followed: Mrs. Tubb – aye, Mr. Daniel – aye, Mr. Dunlap – aye, Dr. Gallagher – aye, Dr. Morris – aye, Mr. Thomas – aye, and Mr. Stringfellow – aye. Motion passed 7-0.

Facilities & Planning Committee Report

Dr. Morris, Chair of the Facilities & Planning Committee, reported that the committee met on November 16.

Dr. Morris reported that a plan is being developed to open a food and beverage service in the location currently designated as a Business Center. He reported that staff will pursue the use of this location and obtain guidance from the City and State regarding health codes, permitting and licensing.

Dr. Morris reported that the committee considered a draft of a new T-Hangar Lease Agreement and will bring the item to the Authority for consideration at the December meeting. A committee meeting will be held beforehand to allow for public comment. A draft of the proposed lease will be sent to tenants with their invoices for December's rent.

Dr. Morris reported that the committee endorsed the reallocation of FDOT JPA funding in the amount of \$500,000 from General Aviation projects to the Eclipse Aviation project.

Acceptance of FAA Hurricane Grant Offer No. 12-0028-E1-2005 – Resolution 05-005

Mr. Crider recommended acceptance of FAA Hurricane Grant Offer No. 12-0028-E1-2005 in the amount of \$1,003,216. He reported that the airport applied for emergency funding to repair hurricane damage to a road, hangar and airline terminal. The FAA Grant will reimburse 100% of the repair costs, not to exceed the grant amount.

Mr. Thomas moved to adopt Resolution 05-005, authorizing the acceptance of FAA Hurricane Grant Offer No. 12-0028-E1-2005 and authorizing its execution by the CEO. Mr. Daniel 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, and Mr. Stringfellow – aye. Motion passed 7-0.

Tenant Reports

Dr. Michael Lukowski, President of University Air Center (UAC), reported that the new airlines and the presidential campaign visits have contributed greatly to fuel sales in October. He reported that construction of a new maintenance hangar is near completion and he invited the Board to hold a meeting in the hangar. Dr. Lukowski reported that Santa Fe Community College will begin flight school training at University Air Center in January. He reported that UAC is transporting blood nightly, for LifeSouth Community Blood Centers to its clients in the Southeast.

Airport Authority Input

Chair Stringfellow noted that during their swearing-in ceremonies, two of the county commissioners indicated support of the proposed new airport access road from Waldo Road.

Mr. Crider introduced Mr. Robert Mauracher, Eclipse Aviation’s General Manager of Service Centers.

Airport Authority Attendance

No issues to report at this time.

Adjournment

There being no further business, the meeting was adjourned by the Chair at 6:12 p.m.

Allen Dell P.A. hosted a holiday reception for GACRAA members and staff.

GACRAA Monthly Meeting

James L. Stringfellow, Sr., Chair

Date

T. James Gallagher, Secretary/Treasurer

Date

**Gainesville - Alachua County Regional Airport Authority
 Monthly Meeting Highlights - November 18, 2004
 Attachment A**

**Summary of the Airport Agreement between Gainesville - Alachua County Regional Airport Authority
 (Lessor) and Piedmont Airlines, Inc. d/b/a US Airways Express (Company)**

Lessee: Piedmont Airlines, Inc. d/b/a US Airways Express

Leased Premises: Fixed Rental (Exclusive Use) 235 sq. ft. Ticket Counter area, 255 sq. ft. Office area, 550 sq. ft. Baggage Make-up area, and an Outbound Baggage Conveyor System

Variable Rental (Non-exclusive Use) 2,592 sq. ft. passenger hold area and 4,320 sq. ft. baggage claim area

Term: Effective May 1, 2004 and shall continue on a year-to-year basis until terminated by either party, upon sixty (60) days notice.

Rental: "Fixed Rental" shall include the following Areas:

Areas	Square Footage	Amount per Sq. Ft. per Year	Debt Service Amount	Operations & Maintenance Amount	Fixed Rental Amount per Year	Fixed Rental Amount per Month
Ticket Counter Area	235	\$33.25	\$4.14	\$29.11	\$7,813.75	\$651.15
Office Area	255	\$25.21	\$3.14	\$22.07	\$6,428.55	\$535.71
Covered Baggage Make-up Area	550	\$16.55	\$2.06	\$14.49	\$9,102.50	\$758.54
Outbound Baggage Conveyor System	N/A	N/A			<u>\$2,068.80</u>	<u>\$172.40</u>
Total for Areas					\$25,413.60	\$2,117.80

"Variable Rental" The rental of passenger hold room and baggage claim area shall be shared by all air transportation companies as follows: Twenty percent (20%) of the total square foot rental shall be shared equally; eighty percent (80%) of the total rental shall be allocated to each air transportation company based on monthly enplanements.

Non-Exclusive Use Areas	Square Footage	Amount per Sq. Ft. per Year	Debt Service Amount	Operations & Maintenance Amount	Variable Rental Amount per Year	Variable Rental Amount per Month
Passenger Hold Room	2592	\$33.25	\$4.14	\$29.11	\$86,184.00	\$7,182.00
Baggage Claim Area	4320	\$25.71	\$3.17	\$22.54	<u>\$111,067.20</u>	<u>\$9,255.60</u>
Total for Non-Exclusive Use Areas (100% = Total for All Airlines)					\$197,251.20	\$16,437.60

Amount to be Shared Equally by All Airlines (20%): \$39,450.24 \$3,287.52
Amount to be Allocated to Airlines Based on Total Number of Enplanements (80%): \$157,800.96 \$13,150.08

“Additional Rental” Company shall reimburse Lessor the Company’s pro rata share of the cost of providing law enforcement/security officers. Such cost shall be allocated to all Airlines based on enplanements.

“Landing Fees” Company shall pay a monthly charge for each scheduled aircraft arrival at the Airport as shown by Company’s published schedules in effect on the first (1st) business day of each month, or for each actual arrival at the Airport as shown in the Company’s monthly report as required in section 8, whichever is greater, as follows \$1.09 per 1,000 pounds of approved maximum gross landing weight per scheduled or actual aircraft arrival, whichever is greater.

Rental and Renegotiation:

The rental rates have been indicated as consisting of part “debt service” and part “operations and maintenance”. The portion designated “debt service” shall remain constant throughout the term of the lease, except for additions due to additional capital expenditures by Lessor.

The rates specified shall remain constant until January 1, 2006, at which time the portion of the rate which represents operations and maintenance shall be automatically adjusted based upon a Consumer Price Index, All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted (1982-84 = 100), published by the Bureau of Labor Statistics, United States Department of Labor. Adjustments shall be automatically made for the ensuing three (3) year period.

Rental and Security Deposit:

Should the Company become more than sixty (60) days in arrears of any payments due Lessor under this Agreement, Company shall provide to Lessor, within ten (10) days of Lessor’s written request and without request on each subsequent renewal of this Agreement, a security deposit from the Lessor of thirty-five thousand dollars (\$35,000). This provision of the Agreement can be accomplished through an irrevocable letter of credit or bond.

Utilities:

Shares 50% of the cost of electricity consumed on the meter which measures consumption in the US Airways Express and the Northwest Airlines ticket counter areas, offices, baggage make-up area and outbound baggage conveyor, and operation of radio and other equipment. (Other 50% is paid by Northwest via Amendment No. 1 to the Airport Agreement between GACRAA and Northwest Airlines.)

Sale, Assignments & Sublease:

With written consent of Lessor, Company will be permitted to assign this lease to its subsidiaries or its parent or sister companies, airlines operating under the name US Airways Express or name owned or controlled by Airline, its parent company or sister company.