

AIRPORT DEVELOPMENT BOARD

March 14, 2012

MINUTES

MEMBERS PRESENT: Lawrence Gill, Chairman, Woody Gilliland, Vice Chairman, Joe Crowder, Cindy Haley, Michael Redden, Myrna Grigsby, Gray Bridwell, David Lynn, Kirk Thaxton

MEMBERS ABSENT: Stan Egger, Jacque McCoy

AIRPORT STAFF: Don Green, Chris Taylor, Alex Cargile

CITY EMPLOYEES: Richard Burdine, Assistant City Manager, Dan Santee, Legal

VISITORS:

1. Call to order

Mr. Gill called the Airport Development Board meeting to order at 3:33 pm.

2. Introduce visitors

There were no visitors in attendance.

3. Consideration and Action approving minutes of the February 8, and February 22, 2012 meeting

Mr. Gill asked if there were any corrections to the minutes of the February 2012 meetings. Hearing none, the February 8 and February 22, 2012 meeting minutes stood approved as distributed.

4. Facilities and Planning Sub Committee Report

Mr. Gilliland provided the Facilities and Planning Report. A new hangar was discussed for Abilene Aero. This hangar will meet with the master plan. The tower ribbon cutting will be May 2nd.

The subcommittee wanted to look at priorities for the Zee Jet Ramp rehab, Fire Exhaust System, Parking Lot Addition and the Rental Car Service projects. The airport has Certificate of Obligation funds from 2004-2007 that were not used due to projects coming in under budget. Originally these were to be used for the 5% and 10% local match for FAA AIP grants. There is approximately \$200,000 in funding available for grant related activities. These excess or recovered funds must be used for similar projects. The Bond Council will only allow projects that meet with the wording on the bonds.

The first project will be to repair roof damage on Hangar 2. The expected project cost is \$30,000 to 40,000.

The second project is to replace asphalt on Zee Jet ramp. The asphalt portion is currently in bad shape. The expected project cost is \$150,000.

The final project will add an exhaust system to the fire station bay. This will design and install an exhaust system. The expected project cost is \$40,000.

The proposed priority for these projects will be Hangar 2 Roof, Zee Jet Ramp, and Fire Station Exhaust System. The fire station exhaust system has an amended AIP Grant, which can help fund this project if there is a shortage of funds.

A separate Certificate of Obligation was used to build the airport parking lot and has remaining funds available. There is approximately \$600,000 remaining in this CO. These funds must go toward a parking lot project. The two projects to be funded are:

1. Parking Lot Addition – This will pave the area north of the current parking lot and will provide approximately 80 spaces. This will give the airport room for expansion in the future. It will also provide spaces for the EASI employees.
2. Pave Rental Car Consolidated Service Area

Finance discussed these funds with the airport in 2011. The committee was concerned that there were large sums of money available that the airport was not aware of. Mr. Green explained that those funds often take several years to close out and become available.

The committee was not comfortable with adding additional spaces for EASI's use and wanted to look at shifting priorities. Prioritization of the parking lot projects will be reviewed. The EASI project would not provide revenue for the airport. However, after a time the rental car service facility paving may provide additional revenues.

5. Economic Development Report

Mr. Burdine presented the Economic Development Report. DCOA is looking toward industrial development near the airport. Developing near the airport carries with it special challenges including height restrictions.

The latest TXDOT ABI Economic Impact Study was released. It states that the airport has an economic impact of \$148,105,618 and is responsible for approximately 14,000 jobs in the region. The last TXDOT study from 10 years ago was at \$86,000,000.

On the northwest side of the airport there is approximately 16 acres for development. There is also an additional 48 acres that the city is looking to develop.

It was discussed whether there might be a state source of funding to purchase land near the airport to develop. Mr. Burdine was not aware of any state source of funding, but said that there will be bonds issued.

6. Airport Management Report:

a. AMR Bankruptcy

Still no changes with American Eagle. They no longer fly ATR airplanes. AMR has not filed a restructuring program at this point. There are rumors of AMR being bought out. US Airways, Delta and TPG Group have stated their interest. Tom Horton with AMR has stated that they do not want to be bought out.

b. Restaurant Update

The contracts will be going to City Hall. It is hoped that they will be open by the end of the month.

c. Review and Acknowledgement of Statistical Reports

February American Eagle enplanements up 16% over last year. Overall the airport is up 10% for the year on enplanements. The statistics do not contain Allegiant's charter information. Parking revenue is up 19.3% for February. Car Rentals are up about 1%.

d. Regulatory and Legislative Issues Update

AIP Funding for FY12 will revert back to the 90% Federal, 10% Local match split. The CIP for the airport has been based on this split.

e. TRACON Consolidation

The letter to the Attorney General from Congressman Neugebauer's office has been sent.

f. Tower Commissioning Ceremony

The ceremony will be May 2nd at 11:00am. Senator Hutchison will be speaking at the ceremony. Congressman Neugebauer has the ceremony on his schedule.

g. TSA Security Equipment Upgrade

The AIT machine has been installed and running. There have been no complaints to the airport about the machine.

h. Update on Current Projects:

Airfield Lighting Control System/Beacon Replacement – Airport portion complete.

New Control Tower – Ribbon cutting May 2nd.

Taxiway C Reconstruction – 30% complete on this project. They are behind schedule by 54 days. There were problems in December that they did not work. They believed at the time that they could get caught up. It is unlikely that they will get caught up. They will be assessed the liquidated damages by \$500 per day. This recovers the airport costs of having an inspector on sight during this time.

Taxiway EASI Reconstruction - 38% complete on this project. Epic is approximately 1 week behind schedule. It is realistic that they could catch up.

Projects in design – Taxiway's M, N and P

i. Air Service and Business Development Update

The ABI-VIP mobile app has been set up. By scanning the QR code it brings up the ABI-VIP registration webpage. The airport is also developing categories for more frequent fliers. For these fliers the airport has developed ABI-VIP bonus cards. Mrs. Murphy is working with American Eagle to develop business contacts throughout the community. The airport has accepted RFQ submissions for advanced production services.

Executive Session:

Pursuant to Govt. Code Section 551.072, a governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person. Additionally, Section 551.087 allows a governmental body to discuss or deliberate on commercial or financial information that has been received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the City and with which there may be ongoing negotiations or deliberate the offer of a financial or other incentive to a business prospect. Further, Section 551.071 provides that a governmental body may seek advice from its attorney regarding a pending or contemplated litigation subject, settlement offer, or attorney-client privileged information. After discussion in executive session, any action or vote will be taken in public.

The executive session was entered into at 4:16pm and exited at 4:24pm with no decisions being made.

7. Consideration and Action to award the Snow Removal Equipment Building Construction Contract.

The airport did a rebid of the Snow Removal Equipment Building. Two of the three bids came in under budget. The airport relocated the building to the terminal ramp. There is no paving work to be done at this new location. This is convenient to the terminal. The low bidder was Hicks Construction. Their total bid included the alternate with a hoist crane to move the spreader box on and off the truck. There were dollar amounts not filled in on their submission and their numbers did not add up. The City Attorney's office said that the airport could not accept the bid.

The second lowest bidder was Crowe Group for \$404,200. This is within the budget and is recommended by staff to award.

Motion to accept recommendation made by Mr. Thaxton. Seconded by Mr. Redden. Motion passed.

8. Adjourn.

Motion to adjourn at 4:32 pm made by Mr. Crowder. Seconded by Mrs. Haley. Motion passed.

Signature of Chairman to confirm minutes: _____ Date: _____