

AIRPORT DEVELOPMENT BOARD

April 15, 2019

MINUTES

MEMBERS PRESENT: Lawrence Gill, Chairman, Woody Gilliland, Vice Chairman, Steve Rodriguez, Randy Williams, Joe Crowder, Gray Bridwell, Kathy Keane

MEMBERS ABSENT: Cindy Ramsey, Kirk Thaxton

AIRPORT STAFF: Don Green, Chris Taylor, Kate Alvarez, Alex Cargile

CITY EMPLOYEES: Stanley Smith, City Attorney

VISITORS:

1. Call to order

The meeting was called to order at 3:33 pm.

2. Introduce visitors

There were no visitors in attendance.

3. Consideration and Action approving minutes of the February 2019 meeting

Mr. Gill asked if there were any corrections to the minutes for the February 2019 meeting.

Motion to approve the minutes made by Mr. Williams, seconded by Mr. Bridwell. Motion passed.

4. Agenda Items:

1. Airport Management Report:

a. Review and acknowledgement of Statistical Reports

Enplanements are up 7% for the calendar year. This is due to more flights and larger aircraft. This is very encouraging. A seventh flight is being added to the schedule. This increase is reflected in parking and car rental revenues.

b. Regulatory and legislative issues update

A bill is proposed in the Texas House to restrict possession of a weapon inside the secured area of the airport.

There is another bill being considered to restrict Airport Access Fees which charge Taxis and TNC's for picking up passengers at the airport. Many airports use a staging area to charge for individual pickups. Others may use a flat annual fee.

c. Update on current projects:

Master Plan – Completed everything aside from 3 sections. The Financial component, is on hold because of the potential for the FAA Supplemental Grant. The Airport Layout Plan is still in development.

Fire Station Improvements Design – Held a teleconference to discuss features and sizes. A rough design may take a few weeks.

SCASD Program – The FY 2018 SCASD awards have not been announced.

Airport Rezoning – The airport was rezoned as Planned Development. This will allow for greater flexibility with business development.

Entry Landscape Project – Project will be revised.

Rates and Charges Study – Complete

d. Upcoming Lease Renewals

The TSA and Rental Car companies leases are set to be renewed once the new rate structure is in place.

e. Discussion – Additional Rates and Charges Adjustments

Parking Rates – Discussed the Boards opinion on raising the parking rates. The last rate increase was July 2016. The Board asked for a comparison of other Airport rates. ABI is half the cost of DFW. One of the benefits to fly from Abilene is cheaper parking. The Board asked for additional information.

Terminal Use Charges – This is charged to charter flights for use of the terminal. This is expected to be adjusted. Currently it is at \$50 per turn and this may be increased to \$100+ per turn.

Fuel Flowage Fee – The current rate is \$0.0675/gal. This is regardless of Jet A or 100 Low Lead fuel types. Airport staff is not recommending an increase for 100 Low Lead as this may affect struggling general aviation operations. Compared to other airports, this rate is in the middle. Other airports are generally not increasing this rate. It may not be the time.

Terminal Advertising - With the new company Zachry Associates managing advertising it may be best to use their experience with pricing and sales.

Vehicle for Hire – This rate could be charged to taxi cab companies and TNC's like Uber or Lyft. This would provide additional revenue. They do take up curb space outside the terminal. Likely this would be some form of flat annual fee. The question was raised about offsite rental car companies operating at the airport. This would require research into whether it is allowed to charge them a fee for operations outside of the airport.

f. Air Service Development

AirFest is May 4th. The biggest hurdle was coming up with a parking plan. There is a \$5 per carload fee to transport from the Expo Center to the Airport. This is due to lack of parking space since development of the northwest side and the change to a one-way street off the access road. The Sheriff's Office and DPS will be available to help with traffic.

With the B-21 announcement this gave a reason to contact airlines with some positive news.

The Real ID program is set to begin October 2020. In order to fly, your identification must be a "Real ID". The TSA says they will have a public information campaign. If your Texas ID was renewed in the 2016-2017 timeframe it is likely already Real ID ready. Look for a white star in a gold circle to see if you have Real ID on your Texas license.

2. Committee Reports

- **Facilities & Planning Subcommittee**
- **Finance & Operations Subcommittee**
- **Marketing & Development Subcommittee**

3. Consideration and Action on AirFest Temporary Agreement

This is a no-fee agreement allowing the use of the northwest side of the airport for AirFest. This includes cleanup and teardown.

Motion to recommend approving this item made by Mr. Rodriguez, seconded by Mr. Gilliland.
Motion approved.

4. Consideration and Action on Airport Rates and Charges Update (Terminal Lease Rates, Landing Fees (Signatory and Non-Signatory))

The Terminal Lease rate is proposed be \$21.50 per square ft effective October 1, 2019 for year 1 (12 month of the lease). The airport worked with Kutchins & Groh to create a working rate. This rate would apply to all terminal tenants.

The rate increases to \$22.15 psf in year 2, \$22.81 psf in year 3, \$23.49 psf in year 4, and \$24.20 psf in year 5.

The Landing Fee is proposed to increase from \$0.43 per 1,000lbs Maximum Gross Landed Weight (MGLW) for signatory airlines to \$0.60 in year 1, \$0.70 in year 2, \$0.80 in year 3, \$0.90 in year 4 and \$1.00 in year 5 all per 1,000 lbs MGLW.

The non-signatory rate will be discussed later and is not in this action.

Motion to recommend approving this item made by Mr. Crowder, seconded by Mrs. Keane. Motion approved.

5. Consideration and Action on Lease with American Airlines

Mr. Green has met with American and negotiated an equitable rate. The rates in Item 4 will apply to this new lease. In year 1 with the rate adjustments in rent and landing fee, the airport goes from a 2018 total of \$174,571 to a projected \$226,773.50. As the rate and landing fee increases, this continues to go up. Ultimately in 2023 revenue is projected at \$284,816.86 in year 5. The airport has not had an increase in a number of years. The City is considered a second airline and will split some of the costs of the rates which means that American would not have to float the total cost of operations at the airport. The term of this lease is 3 years with two 1-year options.

Motion to recommend approving this item made by Mr. Crowder, seconded by Mr. Gilliland.
Motion approved.

6. Consideration and Action on Lease Amendment with DCOA

The City has an agreement for all the land that the Eagle Aviation Services sits on. The lease is a 15 year lease with two 10-year options. The options were at the sole discretion of DCOA. DCOA proposed to amend the lease to exercise the option for the first 10 years. With that, DCOA will provide the City more revenue and include leasing Hangar 1 revenue. This will be closer to market rate. This lease amendment is for the existing EASI leasehold area and adds Hangar 1. The current rate of \$46,884.86 for both leases will be increased to \$81,458. The City will be relieved of all responsibilities for Hangar 1. DCOA has also agreed the second 10 year option will be mutually agreed to by the City and DCOA. Any increases in rent between DCOA and EASI, DCOA will come to the City and will negotiate a new rate. The amendment is effective October 26, 2019 and the rates are effective January 1, 2020.

Motion to recommend approving this item made by Mr. Gilliland, seconded by Mr. Rodriguez.
Motion approved.

7. Consideration and Action on IDEMIA Temporary Use Agreement

IDEMIA is bringing the TSA pre-check to the airport. This would allow IDEMIA to park their RV in front of the airport at no cost. Action was not required.

8. Consideration and Action on Zachry Associates Service Agreement

This contract will include advertising and sales, as well as, marketing for the airport through Zachry Associates. There is a 12% commission and this was lower than their competition. There is a \$75,000 budget for airport advertising. Digital advertising will be a major component. This will include search engine optimization. This a 3 year agreement with two, 1-year options.

Motion to recommend approving this item made by Mrs. Keane, seconded by Mr. Williams. Motion approved.

9. Consideration and Action on Accepting FAA Grants

This item was not discussed.

10. Discussion Consideration and Action on Master Plan Update Presentation.

This item was not discussed.

11. 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. Additionally, Section 551.076 provides that a governmental body may conduct a closed meeting to deliberate the deployment, or specific occasions for implementation, of security personnel or devices; or a security audit. After discussion in executive session, any action or vote will be taken in public.

No Executive Session took place during this meeting.

12. Adjournment

Motion to adjourn at 4:45 pm made by Mr. Crowder. Seconded by Mr. Bridwell. Motion passed.

Signature of Chairman to confirm minutes: Lawrence S. Hill Date: 5/8/19