MEETING MINUTES

PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

Opening:

The Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., October 22, 2025 by Chair Mark Sheldon.

The Invocation was given by Chair Mark Sheldon.

The Pledge of Allegiance was led by Mr. Les McFatter.

Roll was called. In attendance were: Ms. Victoria Williams, Mr. Les McFatter, Ms. Holly Melzer, Mr. Glen McDonald, and Chair Mark Sheldon.

Chair Sheldon asked if there were any Public Comments. There were no Public Comments.

Chair Sheldon asked if there were any items on the Amended Agenda, including the Consent Agenda, that any Board Member would like to move to a Business Item for further discussion, and if not, that a Board Member make a motion to accept the Amended Agenda.

Mr. Les McFatter made a motion to accept the Agenda and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.

Reports:

<u>Airport Activity:</u>

Mr. Parker McClellan updated the Board on the Activity Reports. The month of September showed an increase in total passengers of over 10.5% compared to 2024, which is mainly due to an increase of 42 flights over last year.

Consent Agenda:

a. **<u>Approve Board Meeting Minutes – September 24, 2025</u>**

This item provides for Board approval of the September 24, 2025 Board Meeting Minutes.

b. **<u>Approve Lobbying Agreement with Rubin Turnbull</u>**

This item provides for Board approval of the Lobbying Agreement with Rubin Turnbull.

c. **Approve Menzies 2026 Budget**

This item provides for Board approval of Menzies 2026 Budget.

d. **Approve Florida Power & Light (FPL) Relocation of Main Power Feed for Terminal Expansion Project**

This item requests approval by the Board for the Relocation of the Main Power Feed for the Terminal Expansion project.

e. **Approve Disposal of Property**

This item provides for Board approval for the Airport to dispose of lost or abandoned property.

Mr. McDonald made a motion to Accept the Consent Agenda and Ms. Williams seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. **Presentation – Terminal Expansion Rate Impacts, Ricondo (information only)**

Ms. Kristina Woodward, SVP with Ricondo and Associates, presented the Terminal Expansion Project Plan of Finance. The Plan was developed to illustrate the effects that the Terminal Expansion project would have on the rates and charges at the Airport.

Following a summary of Financial Terms, three scenarios were presented and explained:
1) a Baseline Scenario to include $20 million ATP Grant and SIB/TIFIA loans paid with PFC revenues; 2) a plan with no ATP Grant and Additional TIFIA Loan and District funding; and 3) a scenario with no ATP Grant nor TIFIA Loan with additional debt and rate base charges making up the difference. Ms. Woodward stated that the metric we want to focus on in each scenario is the Cost Per Enplaned Passenger (CPE).

Utilizing the Baseline Scenario with a project cost of $118.6M, the total cost is $165.9M including financing and interest. The total impact to the airline rate base is $7.5M. The PFC fund balance remains positive through the 9 year projection period due to the availability of the ATP grant. Impacts on the CPE are minimized due to maximized Federal and State grants and PFC funds, and the estimated CPE is $7.06 in FY 2034.

In Scenario 2, there are no ATP Grant funds, an additional $5M of TIFIA debt to be issued, and the remaining cost of $15M will be added to the $7.5M airline rate base amount shown in the Baseline Scenario. The total cost with financing and interest is $171.0M. In this scenario, the PFC fund balance decreases below its current level in FY 2033 and the estimated CPE is $7.34 by FY 2034.

Scenario 3 reflects no ATP grant and also considers that no TIFIA loan will be available. Additional debt will be issued and the total impact to the rate based will be $40.5M. The total project cost of $118.6M, the total cost including financing and interest is $146.5M. The CPE reaches a maximum of $7.69 by FY 2034 and the PFC fund balance falls below its current level by FY 2027.

Discussion ensued and Mr. McClellan shared an update on the Airport's current Terminal Expansion funding process.

b. Strategic Plan (discussion only)

Mr. McClellan stated, that the typical Strategic Plan is a five-year plan that includes a Mission, Vision, and Goals with an objective of how to achieve those goals. He has reached out to two Consultants for information on how to move forward. Mr. McClellan seeks direction from the Board.

Chair Sheldon stated he would like to identify what success is for the Airport. His goals include determining what we need to do in the next five-ten years to be successful, what needs to be done to keep that vision continuing in the long term, and how do we give a roadmap to the next generation, including financially, operationally, and regionally. He also wants the Strategic Plan to define how success is measured.

Discussion about the Strategic Plan ensued.

The Board directed Mr. McClellan to develop and plan with strategic planning consultants and make a recommendation to the Board regarding how to proceed.

c. Approve Air Service Development Incentive Program (ASIP)

Mr. McClellan presented the new Air Service Development Incentive Program, which includes new required FAA modifications, which will be used to actively recruit air carriers to offer new nonstop air service.

The ASIP will offer various incentives including rebates of landing fees and terminal rents when certain criteria are met.

The ASIP will be posted after Board approval and become effective after a 30 day posting period.

Mr. McDonald made a motion to Approve the Air Service Development Incentive Program and Mr. McFatter seconded the motion. The vote was taken and the motion passed unanimously.

Construction Updates (Information Only)

a. Ardurra Group

Mr. Aaron Buob presented an update on the following items:

- Haul road and Temporary Road Diversion (TRD);
- Researching Value Engineering opportunities for the Terminal Expansion Project;
- Introduction of Kyle Athey as Ardurra's Project Manager;
- Completion of fencing set-up, road closure, and ground breaking;
- Assessing administrative workflows with the Airport and Cardella; and
- Terminal Expansion – Mr. Sebastiano "Sebass" Cardella shared the project weekly report targeted timelines and the steps moving forward for the team

b. AVCON

Ms. Tonya Nation provided an update on several projects that are on-going, including:

- Development Orders (DO) have been issued for the North Terminal Expansion Project and the Temporary Road Diversion (TRD), the Building Permit was issued for the Terminal Expansion;
- Design Team is working on the Conformed drawings for the Terminal Package;
- Fuel Farm design is moving ahead and the schedule and milestones are being developed with construction funding available late 2026;
- ACDBE report was completed and accepted by the FAA; and
- Qualified Mitigation Supervision (QMS) is an ongoing effort.

Project Planning Update (information only)

a. Project InSPIRE

Mr. McClellan stated there were no new updates for this project.

b. Florida National Guard Armory

Mr. McClellan stated an easement was issued for TECO. An announcement for the grand opening of the Armory should be forthcoming.

Bay EDA Update (information only)

Mr. Ben Moorman provided the following updates to ongoing projects.

- IAG Aero Group is moving ahead and is contracting with an architect. Operations are expected to begin within two to three years.
- Premiere Aviation is moving in a positive direction from a financing standpoint. A meeting with Premier, the EDA, and the Airport is scheduled for tomorrow.
- Bay County EDA returned from MRO Europe and met with 17 companies in two days.
- MRO Americas will be held in Orlando next year, allowing us an opportunity to host

companies in Panama City.

- In November, project Launch Pad is seeking a sight visit, looking for a 50 to 90 acre site to house a 320,000 square foot facility, which will bring 280 jobs and a $220M capital investment to Bay County.

Moore Agency Update (information only)

Ms. Katie Spillman presented updates on the following:

- ECP voted #4 for Best Resort Airport by USA Today Reader's Choice awards.
- 850 Magazine article featured an in-depth interview with Airport Executive Director Parker McClellan.
- ECP represented by a half-page ad in the December issue of Florida Trend Magazine, content is focused on Northwest Florida.
- Airport Team Communications for the Airport Expansion project, including a video, social media, newsletter, and local media coverage.

Executive Director Report:

Mr. McClellan reported Sunday's kick-off of daily service to LaGuardia.

This week the Transportation Security Officers (TSO) will go into no-pay status due to the government shut down. We are fortunate with the dedication of our TSOs and the fact that they have historically come to work even when they are not being paid. He asked that all show our appreciation and thank them.

There were no additional public comments.

Next meeting scheduled: Board Meeting: November 19, 2025 – 9:00 a.m.

The meeting was adjourned at approximately 10:06 a.m.

Parker W. McClellan, Jr., AAE
Executive Director

Mark Sheldon, Chair